Manitoba Agriculture, Food and Rural Development

Agriculture, Alimentation et Développement rural Manitoba

Annual Report 2014-2015

Rapport annuel 2014-2015

Manitoba

The Manitoba Agriculture, Food and Rural Development (MAFRD) annual report is available on the MAFRD website at http://www.gov.mb.ca/agriculture/reports-expenses/budgets-and-annual-reports.html

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MINISTER OF
AGRICULTURE, FOOD AND RURAL DEVELOPMENT

Room 165
Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8

Her Honour the Honourable Janice Filmon, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, MB R3C 0V8

May it Please Your Honour:

I have the privilege of presenting for your review the annual report for Manitoba Agriculture, Food and Rural Development for the year ending March 31, 2015.

Respectfully submitted,

Original signed by Ron Kostyshyn

Honourable Ron Kostyshyn
Minister of Agriculture, Food and Rural Development

MINISTER OF
AGRICULTURE, FOOD AND RURAL DEVELOPMENT

Room 165
Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8

Son Honneur l'honorable Janice Filmon, C.M., O.M.
Lieutenante-gouverneure du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Madame la Lieutenante-Gouverneure,

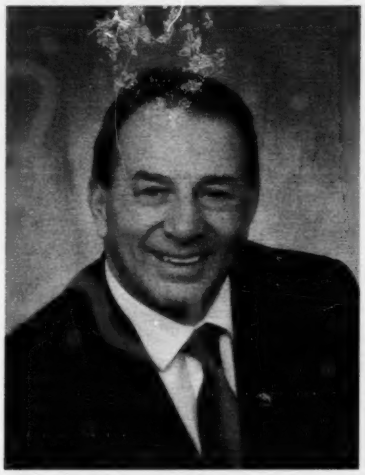
J'ai le privilège de présenter à Votre Honneur le rapport annuel du ministère de l'Agriculture, de l'Alimentation et du Développement rural du Manitoba pour l'exercice terminé le 31 mars 2015.

Le tout respectueusement soumis.

Le ministre de l'Agriculture, de l'Alimentation et du Développement rural,

Original signé par Ron Kostyshyn

Ron Kostyshyn



Manitoba

**Agriculture, Food
and Rural Development**

Deputy Minister of Agriculture, Food and Rural Development
Room 159, Legislative Building
Manitoba, Canada R3C 0V8
T 204-945-3734

Honourable Ron Kostyshyn
Minister of Agriculture, Food and Rural Development
Province of Manitoba

Sir,

I am pleased to present the annual report for the department of Manitoba Agriculture, Food and Rural Development (MAFRD) for the year ending March 31, 2015.

Since its roll out in 2013, Growing Forward 2 (GF2) has impacted Manitoba's economy by funding innovation-driven opportunities. GF2 will invest $20 million in the Grain Innovation Hub to develop and accelerate the commercialization of new grain products and derivatives. This is just one example of MAFRD's leadership in innovation to position primary agriculture and processing as growth industries in Manitoba.

MAFRD's work further contributed to the provincial economy by creating jobs. Meaningful projects and programs like Rural Entrepreneur Assistance and Partner 4 Growth help drive Manitoba's economy by building capacity in rural communities.

Maintaining a focus on plant, animal and human health remained a priority for MAFRD in 2014/15. MAFRD ensured our place in the market remained secure by supporting clubroot and Porcine Epidemic Diarrhea virus (PEDv) sampling, testing, and mapping to prevent spreading and increase the safety of our food supply. The Food Processing Plant Inspection Program completed 675 inspections of provincial processing/distribution plants to monitor risks.

Through strong and vibrant rural communities, strategic investment in infrastructure and innovation and promoting safe and secure supply chains, the agri-food industry continues to be a leading economic driver in Manitoba. By focusing on these areas, MAFRD provided industry and communities with the tools to succeed in 2014/15.

Respectfully submitted,

Original signed by Dori Gingera-Beauchemin

Dori Gingera-Beauchemin
Deputy Minister

Manitoba

Agriculture, Alimentation et Développement rural

Sous-ministre de l'Agriculture, de l'Alimentation et du Développement rural
Palais législatif
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Ministre de l'Agriculture, de l'Alimentation et du Développement rural
Province du Manitoba

Monsieur,

J'ai l'honneur de vous présenter le rapport annuel du ministère de l'Agriculture, de l'Alimentation et du Développement rural du Manitoba pour l'exercice terminé le 31 mars 2015.

Depuis son lancement en 2013, Cultivons l'avenir 2 a eu des effets sur l'économie manitobaine par le financement d'occasions axées sur l'innovation. L'initiative a investi 20 millions de dollars dans le Centre d'innovation pour les grains afin de développer et d'accélérer la commercialisation de nouveaux produits céréaliers et dérivés du grain. Cela n'est qu'un exemple du leadership du ministère en innovation, afin de positionner l'agriculture primaire et la transformation parmi les industries en plein essor au Manitoba.

Le travail du ministère a davantage contribué à l'économie provinciale en créant des emplois. Des projets et des programmes intéressants comme le Programme d'aide aux entrepreneurs ruraux et le Programme de partenariat pour la croissance aident à stimuler l'économie manitobaine en renforçant les capacités dans les collectivités rurales.

Le maintien de l'accent sur la santé des plantes, des animaux et des humains est demeuré une priorité pour le ministère en 2014-2015. Le ministère a veillé à ce que notre place dans le marché demeure stable en appuyant le prélèvement d'échantillons de la hernie et du virus de la diarrhée épidémique porcine, et la cartographie des cas, afin de prévenir la transmission et de renforcer la sécurité de notre approvisionnement alimentaire. Le Programme des inspections des usines de transformation des aliments a mené 675 inspections d'usines de transformation ou de distribution dans la province afin de contrôler les risques.

Grâce à des collectivités fortes et dynamiques, à des investissements stratégiques en infrastructure et en innovation et à la promotion de chaînes d'approvisionnement sûres et sécuritaires, l'industrie agroalimentaire continue à être un moteur économique déterminant au Manitoba. En mettant l'accent sur ces domaines, le ministère de l'Agriculture, de l'Alimentation et du Développement rural a fourni aux industries et aux collectivités les outils pour réussir en 2014-2015.

Le tout respectueusement soumis.

La sous-ministre,

Original signé par Dori Gingera-Beauchemin

Dori Gingera-Beauchemin

2014/15 Highlights

Agriculture is an economic driver in the province of Manitoba, contributing 3.6% to the provincial GDP. MAFRD's work, in partnership with the agriculture industry, supports the livelihoods of farmers, processors, agri-industry, entrepreneurs and rural communities. The department is aligning its resources as the industry becomes more complex in addressing:

- Trade agreements and marketing
- Sustainability
- Market fluctuation
- Public trust
- Impacts of a changing climate
- Food-health complex

Innovation and Adaptation

Thriving agriculture and agri-food industries rely on science, research and innovation to develop new products, adapt production to climate variability, produce food more sustainably and enhance competition in the marketplace. MAFRD under the five-year Growing Forward 2 (GF2) agreement continued to invest in setting a solid foundation for scientific research and innovation in the agriculture and agri-food industries:

- **The Grain Innovation Hub** – solidified Manitoba as the place where science and business thrive in an innovation environment to develop and commercialize grain products that meet global demands. On May 16, 2014, Canada and Manitoba announced under GF2 a $20 million investment in this initiative. Manitoba projects that received funding include:
    - Manitoba Corn Development Initiative – corn breeding and agronomy
    - Functional Food and Feed project – healthy food and feed products
    - Canadian Centre for Agri-Food Research in Health and Medicine – nuclear magnetic resonance imaging instrument for biochemical screening
    - Canadian International Grains Institute – grain processing and analysis equipment to support product development and promotion

- **GF2 Growing Innovation - Capacity and Knowledge Development** – supported research in applied scientific infrastructure funding 40 projects valued at $23.8 million.

- **Manitoba Beef and Forage Sustainability Platform Initiative** – addresses the need for capacity development in beef and forage research and knowledge transfer. The financial impact of Manitoba's beef sector along with the sector's geographic footprint warranted investment by Governments under GF2 of $3.1 million to support applied research to develop information and resources focused on sustainable beef production.

- **GF2 Growing Innovation - Agri-Food Research and Development Initiative (ARDI)** – awarded $1.68 million to six projects investigating the health attributes of flax, hemp, buckwheat, canola and saskatoon berries.

- **The Manitoba Agri-Health Research Network (MAHRN)** – operates on a five-year (2013/14 – 2017/18) GF2 grant totalling $1.98 million working toward the development and commercialization of foods proven to prevent or treat chronic disease.

- **Manitoba Horticulture Productivity Enhancement Centre (MHPEC)** – was awarded a three year (2014/15 – 2017/18) GF2 grant of $528,000 with projects focusing on improving potato yield and quality in the frozen potato products sector.

- **The Composites Innovation Centre** – began operating under a four-year (2014/15 – 2017/18) GF2 grant of $1.4 million to advance BioNet Manitoba, a multi-partner initiative to develop biomaterials based on Manitoba grown renewable agricultural fibres and resins.

- **Diversification Centres** – This GF2 program supported over 100 field trials at four centres across Manitoba in 2014/15 of cropping systems to increase farm gate revenue. Centres also acquired Unmanned Aerial Vehicles (UAVs) to improve research performance related to trial risk and augment information collection.

Food and Agri-Product Development

MAFRD under Growing Forward 2 supported food safety and food and agri-product development in Manitoba, a MAFRD priority focus.

- **GF2 Food Safety - On-Farm program** - Approved 504 producer applications for a total of $3.7 million for the adoption of assurance systems and Best Management Practices (BMPs) that mitigate risk factors to food safety, biosecurity, traceability and plant animal health.

- **GF2 Food Safety and Distribution program** - Provided over $1 million in funding to sixty-one agri-product processors for the adoption of assurance systems.

- **GF2 Growing Value – Transformation program** - Provided $8.8 million in funding to 39 projects that increase processing sustainability and capacity.

- **Food Development Centre (FDC)** - FDC expanded the food processing industry in Manitoba by developing 32 new food products/ingredient prototypes, creating six new health related food products in partnership with Manitoba Agri-Health Research Network and launching eight new products by four companies. FDC partnered with three commodity groups: Manitoba Pulse Growers Association, Flax Council of Canada and Manitoba Canola Growers Association, to initiate research for industry.

The **MAFRD Food Processing Plant Inspection program** completed 675 inspections of provincially permitted processing/distribution plants under a risk-based inspection model.

MAFRD provided policy support for the drafting of ***The Farm and Food Awareness Act*** **(Bill #4)** that was introduced in the 4th Session - 40th Legislature.

Small Scale Production – As demand for local food increases, small scale food producers and processors expressed concerns over barriers to the development of this segment of the food industry. The Small Scale Food Manitoba Working Group presented its report in January 2015 with 21 recommendations to strengthen in this segment. The department is working toward a number of initiatives to address the recommendations.

Commercialization and Marketing – Over 80 Manitoba companies representing over 1,100 products now participate in the Buy Manitoba program; The Great Manitoba Food Fight resulted in four new food products entering the market within 12 months of the competition.

Managing Risk in Agriculture

In recent years, Manitoba's agricultural producers have been challenged by the changing climate and its effects on production. In response, the **Agricultural Risk Management Review Task Force** was established by the Manitoba Government in the 2014 Speech from the Throne.

The objectives of the task force are:

- to improve Manitoba farmers' capacity to recover from the risks and impacts associated with the effects of changing climate events on agriculture;
- to mitigate the risk exposure of federal and provincial governments relative to business risk management tools and to reduce ad hoc programming requests.

Excess Moisture Events in 2014 resulted in the **2014 Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative (CMFSTAI).** Assistance was available for the purchase of feed for producers affected by rising levels of Lake Manitoba, Lake Winnipegosis, and Lake St. Martin if a forage shortfall could be demonstrated. Additionally, assistance was available for the transportation of feed or animals for producers throughout Manitoba that could demonstrate a forage shortfall caused by excess moisture. One hundred and forty-nine applications were received under CMFSTAI with $1.87 million allocated and $434,600 paid out as of March 31, 2015.

Business Risk Management programs - AgriInsurance liability through Manitoba Agricultural Services Corporation (MASC) totalled $2.2 billion covering 9.9 million acres, with 8,900 insured farming operations. BRM programming also included support of AgriInvest in Manitoba at $34.4 million and AgriStability at $49.6 million.

Disease Surveillance and Support - Disease outbreaks are a significant risk to animal and plant health, as well as for accessing markets inside and outside Canada.

- The province supported Manitoba's pork industry with its efforts against **Porcine Epidemic Diarrhea virus (PEDv)** with a total of $3.9 million in funding through GF2. Staff completed 16,259 tests associated with PEDv.
- The **Crop Diagnostic Lab** confirmed the first case of Verticillium Wilt (VW) in Canada (North America), and is working with Canadian Food Inspection Agency to determine distribution, detect VW and prevent spreading.
- MAFRD partnered with Manitoba Canola Growers Association to develop the **Pest Surveillance Initiative (PSI)** utilizing $250,000 of GF2 Growing Actions program funding. PSI is currently grid sampling the province and analyzing soil for clubroot. Clubroot DNA has been identified at 13 fields across Manitoba.
- MAFRD with the PSI developed an online biosecurity calculator to assist farmers in determining the biosecurity risk on their farm.

Market Access

Manitoba's submission on grain transportation was provided to the ***Canada Transportation Act* (CTA) Review**. The submission contains 25 recommendations, emphasizes the performance across corridors to the East and U.S. and recommends improvement to processes governing branch line abandonment and producer cars; as well as interswitching.

In agriculture, where the federal government has sole jurisdiction over market access negotiations, Manitoba has supported Canada's efforts to achieve outcomes that balance export interests while recognizing the importance of orderly marketing systems.

Rural Economic Development

The department continued to work with communities to build readiness to attract economic development. Staff identified best practices and innovative strategies for addressing common rural development issues and worked with communities to complete 150 rural development projects.

Rural Economic Development Initiatives (REDI) funding provided $23.04 million in financial support in 2014/15 leveraging $11.06 million in investments to boost Manitoba's rural economy and give rural communities and businesses the tools to help them grow.

Partner 4 Growth provided REDI funding for regions to identify and pursue economic development opportunities. Thirty-two projects involving 102 communities were approved for $260,000 in funding.

Hometown Manitoba contributed to economic growth and enhanced main streets and public places in rural and northern Manitoba communities. Manitoba through REDI invested $225,000 in 102 Hometown Manitoba projects in 70 communities.

The **Rural Entrepreneur Assistance program** facilitated $3.8 million in new private sector term loans by providing $3 million in REDI recoverable loan guarantees. MASC facilitated a further $400,000 in private sector operating credit by providing $100,000 in loan guarantees through the **Operating Credit Guarantees for Rural Small Business program**.

The **Regional Economic Analysis Process** (REAP) combines a regional analysis of demographic, labour, business and industry data for communities to identify economic development opportunities, priorities and create an action plan. In 2014/15, eight REAP projects were delivered involving 46 municipalities and three First Nations.

New private sector agricultural lending of $71.4 million was facilitated by **Manitoba Agricultural Services Corporation** loan guarantees totaling $17.9 million. In addition, $2 million of interest benefits were provided to young farmers.

Points saillants en 2014-2015

L'agriculture est un moteur économique du Manitoba; elle contribue à 3,6 % du PIB provincial. Le travail du ministère effectué en partenariat avec l'industrie de l'agriculture soutient la vie économique des agriculteurs, des transformateurs, de l'agro-industrie, des entrepreneurs et des collectivités rurales. Le ministère harmonise ses ressources à mesure que l'industrie se complexifie en abordant les enjeux suivants :

- les accords de commerce et la commercialisation;
- la durabilité;
- les fluctuations du marché;
- la confiance du public;
- les répercussions du changement climatique;
- les relations entre les aliments et la santé.

Innovation et adaptation

Les industries agricoles et agroalimentaires en pleine croissance s'appuient sur la science, la recherche et l'innovation pour élaborer de nouveaux produits, adapter la production à la variabilité du climat, produire des aliments plus durables et améliorer la compétition sur le marché. En vertu de l'accord-cadre quinquennal Cultivons l'avenir 2 (CA2), le ministère de l'Agriculture, de l'Alimentation et du Développement rural continue à investir dans l'établissement d'une base solide de recherche scientifique et d'innovation dans les industries agricoles et agroalimentaires.

- **Centre d'innovation pour les grains** – A consolidé la position du Manitoba en tant qu'endroit où les sciences et les entreprises prospèrent dans un environnement innovant pour concevoir et commercialiser des produits céréaliers qui répondent à la demande mondiale. Le 16 mai 2014, le Canada et le Manitoba ont annoncé un investissement de 20 millions de dollars en vertu de CA2 dans cette initiative. Les projets du Manitoba qui recevront des fonds comprennent les suivants :
    - l'initiative de développement du maïs du Manitoba – sélection du maïs et agronomie;
    - le projet d'aliments fonctionnels et d'aliments du bétail – produits alimentaires et aliments du bétail sains;
    - le Centre canadien de recherches agroalimentaires en santé et en médecine – appareil d'imagerie par résonance magnétique nucléaire pour le dépistage biochimique;
    - l'Institut international du Canada pour le grain – équipement de traitement et d'analyse des grains pour soutenir le développement et la promotion de produits.

- **Cultivons l'innovation – Développement des capacités et des connaissances (CA2)** – A soutenu la recherche en matière d'infrastructure scientifique appliquée en finançant 40 projets d'une valeur de 23,8 millions de dollars.

- **Initiative de plateformes en matière de développement durable dans l'industrie du bœuf et des cultures fourragères au Manitoba** – Répond à la nécessité de renforcer les capacités de recherche sur le bœuf et les cultures fourragères et d'assurer le transfert des connaissances. L'incidence financière du secteur bovin du Manitoba et l'empreinte géographique de ce secteur ont valu des investissements des gouvernements d'une valeur de 3,1 millions de dollars, en vertu de CA2, afin de soutenir la recherche appliquée pour générer des renseignements et des ressources axés sur la production bovine durable.

- **Cultivons l'innovation (CA2) – Initiative de recherche et de développement en agroalimentaire** – A octroyé 1,68 million de dollars à six projets visant à étudier les propriétés bénéfiques pour la santé du lin, du chanvre, du sarrasin, du canola et des saskatoons.

- **Réseau de recherche en agrosanté du Manitoba** – Fonctionne grâce à une subvention de cinq ans (2013-2014 à 2017-2018) de CA2 totalisant 1,98 million de dollars pour travailler au développement et à la commercialisation d'aliments dont la capacité à prévenir ou à traiter des maladies chroniques a été prouvée.

- **Manitoba Horticulture Productivity Enhancement Centre** – A obtenu une subvention de trois ans (2014-2015 à 2017-2018) de CA2 d'une valeur de 528 000 $ en vue d'améliorer le rendement des pommes de terre et la qualité dans le secteur des produits de pommes de terre surgelés.

- **Composites Innovation Centre** – A bénéficié d'une subvention de fonctionnement de quatre ans (2014-2015 à 2017-2018) de CA2 d'une valeur de 1,4 million de dollars pour faire progresser BioNet Manitoba, une initiative réunissant plusieurs partenaires visant à mettre au point des biomatériaux à partir de résines et de fibres agricoles renouvelables qui ont été cultivées au Manitoba.

- **Centres de diversification** – Ce programme de CA2 a offert du soutien pour la réalisation, à quatre centres manitobains en 2014-2015, de plus de 100 essais en champ des systèmes de culture afin d'améliorer les revenus à la production. Les centres se sont aussi procuré des véhicules aériens sans pilote pour améliorer le rendement au chapitre de la recherche sur les risques liés aux essais et pour accroître la collecte de données.

Développement des produits alimentaires et agricoles

Agriculture, Alimentation et Développement rural Manitoba, en vertu de CA2, a appuyé la salubrité des aliments et le développement de produits alimentaires et agricoles, une priorité de ce ministère.

- **Programme de salubrité des aliments à la ferme (CA2)** – A approuvé 504 demandes de producteurs, totalisant 3,7 millions de dollars, pour l'adoption de systèmes d'assurance et de pratiques exemplaires de gestion qui atténuent les facteurs de risques liés à la salubrité alimentaire, à la biosécurité, à la traçabilité et au bien-être des animaux.

- **Programme de salubrité des aliments et de distribution (CA2)** – A fourni plus d'un million de dollars de financement à 61 transformateurs de produits agricoles pour l'adoption de systèmes d'assurance.

- **Cultivons la valeur (CA2) – Programme de transformation** – A versé 8,8 millions de dollars de financement à 39 projets qui font croître la durabilité de la transformation et renforcent la capacité de transformation.

- **Centre de développement de produits alimentaires** – A élargi l'industrie de la transformation alimentaire au Manitoba en développant 32 nouveaux produits alimentaires ou prototypes d'ingrédients, en créant six produits alimentaires liés à la santé en partenariat avec le réseau de recherche en agrosanté du Manitoba et en lançant huit nouveaux produits de quatre entreprises. Le Centre a conclu un partenariat avec trois groupes spécialisés afin de lancer des recherches pour l'industrie : l'Association manitobaine des producteurs de légumineuses, le Flax Council of Canada et l'Association manitobaine des producteurs de canola.

Le **Programme d'inspection des usines de transformation des aliments du ministère de l'Agriculture, de l'Alimentation et du Développement rural** a mené 675 inspections d'usines de transformation ou de distribution autorisées par la Province selon un modèle d'inspection fondée sur les risques.

Le ministère a appuyé la rédaction de la ***Loi sur la promotion du secteur agroalimentaire* (projet de loi n^{o} 4)** qui a été présentée à la quatrième session de la 40^{e} législature.

Production à petite échelle – La demande pour les aliments locaux étant en hausse, les petits producteurs et transformateurs alimentaires ont exprimé leurs préoccupations quant aux obstacles au développement de ce segment de l'industrie alimentaire. Le Groupe de travail du Manitoba sur la production d'aliments à petite échelle a présenté en janvier 2015 son rapport qui contient 21 recommandations visant à renforcer ce segment. Le ministère travaille à mettre en œuvre un certain nombre d'initiatives pour répondre à ces recommandations.

Commercialisation et marketing – Plus de 80 entreprises manitobaines représentant plus de 1 100 produits participent maintenant au programme Achetez manitobain; le Great Manitoba Food Fight s'est soldé par l'entrée sur le marché de quatre nouveaux produits alimentaires dans les 12 mois suivant le concours.

Gestion du risque en agriculture

Récemment, les producteurs agricoles du Manitoba ont fait face au climat changeant et à ses effets sur la production. En réponse à cette situation, le gouvernement du Manitoba a annoncé la création du **Groupe de travail d'examen de la gestion des risques en agriculture** dans le Discours du Trône de 2014. Les objectifs du groupe de travail sont :

- d'améliorer la capacité des agriculteurs du Manitoba à se remettre des répercussions et des risques associés aux effets des manifestations du changement climatique sur l'agriculture;
- de limiter les risques courus par les gouvernements fédéral et provincial relativement aux outils de gestion des risques des entreprises et de réduire le recours à des programmes ponctuels.

Les problèmes causés par l'humidité excessive en 2014 ont entraîné la création de l'**Initiative Canada-Manitoba d'aide relative aux pénuries de fourrage et au transport de 2014**. De l'aide était offerte pour l'achat d'aliments du bétail aux producteurs touchés par les hausses des niveaux du lac Manitoba, du lac Winnipegosis et du lac St. Martin si ces producteurs pouvaient montrer qu'ils subissaient une pénurie de fourrage. De plus, de l'aide a été offerte pour le transport d'aliments du bétail ou d'animaux aux producteurs manitobains qui pouvaient prouver avoir subi une pénurie de fourrage en raison de l'humidité excessive. Cent quarante-neuf demandes ont été reçues dans le cadre de l'Initiative; 1,87 million de dollars ayant été alloués et 434 600 $ ayant été versés en date du 31 mars 2015.

Programmes de gestion du risque d'entreprise – Le montant total de la responsabilité du programme Agri-protection par l'intermédiaire de la Société des services agricoles du Manitoba était de 2,2 milliards au total, ce qui représentait 9,9 millions d'acres et 8 900 exploitations agricoles assurées. Ces programmes comprenaient aussi un soutien du programme Agri-investissement au Manitoba de 34,4 millions de dollars et du programme Agri-stabilité de 49,6 millions de dollars.

Surveillance des maladies et soutien – Les éclosions de maladie représentent un risque important pour la santé des animaux et des plantes, ainsi que pour l'accès aux marchés à l'intérieur et à l'extérieur du Canada.

- La Province a appuyé l'industrie porcine du Manitoba dans ses efforts de lutte contre le **virus de la diarrhée épidémique porcine** en versant en tout 3,9 millions de dollars en financement dans le cadre de CA2. Le personnel a réalisé 16 259 tests associés à ce virus.

- Le **laboratoire du Service de diagnostic phytosanitaire** a confirmé le premier cas de flétrissure verticillienne au Canada (en Amérique du Nord) et travaille avec l'Agence canadienne d'inspection des aliments pour détecter la flétrissure verticillienne, déterminer sa distribution et prévenir sa transmission.

- Le ministère de l'Agriculture, de l'Alimentation et du Développement rural a établi un partenariat avec l'Association manitobaine des producteurs de canola pour élaborer la **Pest Surveillance Initiative**, utilisant un financement de 250 000 $ du programme Cultivons la protection de CA2. L'initiative procède actuellement à l'échantillonnage en grille de la province et à l'analyse des traces de hernie dans le sol. L'ADN de la hernie a été découvert dans 13 champs du Manitoba.

- Le ministère, avec la Pest Surveillance Initiative, a mis au point un calculateur de biosécurité pour aider les agriculteurs à déterminer le risque en matière de biosécurité de leur exploitation agricole.

Accès aux marchés

Le Manitoba a fourni une présentation sur le transport du grain dans le cadre de l'**examen de la *Loi sur les transports au Canada***. La présentation contient 25 recommandations, met l'accent sur la performance dans l'ensemble des corridors menant à l'Est et aux États-Unis et recommande des améliorations aux processus régissant l'abandon de lignes secondaires, les wagons consignés aux producteurs et les manœuvres interréseaux.

En agriculture, là où les négociations sur l'accès aux marchés relèvent entièrement de la compétence du gouvernement fédéral, le Manitoba a appuyé les efforts du Canada visant à atteindre des résultats qui équilibrent les intérêts en matière d'exportation tout en reconnaissant l'importance des systèmes de marketing ordonnés. L'économie du Manitoba est appuyée par une industrie agricole diversifiée et sa réussite repose sur les contributions de tous les producteurs et les transformateurs. Le Manitoba soutient les négociations dans le cadre du **Partenariat transpacifique** parce que de précieux avantages économiques pourront être obtenus grâce à un meilleur accès à des marchés importants dans la région Asie-Pacifique.

Développement économique en milieu rural

Le ministère a continué à travailler avec des collectivités afin de renforcer leur préparation en pour favoriser le développement économique. Le personnel a déterminé des pratiques exemplaires et des stratégies novatrices pour régler les questions communes concernant le développement rural et a travaillé avec les collectivités pour terminer 150 projets de développement rural.

Les **Initiatives de développement économique rural** ont fourni 23,04 millions de dollars en soutien financier en 2014-2015, engendrant 11,06 millions de dollars en investissements pour stimuler l'économie rurale du Manitoba et fournir aux collectivités et aux entreprises rurales les outils qui les aideront à croître.

Le **Programme de partenariat pour la croissance** a fourni du financement aux régions, dans le cadre des Initiatives de développement économique rural, afin qu'elles puissent repérer les occasions de développement économique et y donner suite. Trente-deux projets englobant 102 collectivités ont été approuvés, pour un financement total de 260 000 $.

Le **programme Fiers chez nous** a contribué à la croissance économique et a amélioré les rues principales et les lieux publics dans les collectivités rurales et du nord du Manitoba. Dans le cadre des Initiatives de développement économique rural, le Manitoba a investi 225 000 $ dans 102 projets Fiers chez nous dans 70 collectivités.

Le **Programme d'aide aux entrepreneurs ruraux** a facilité le consentement, par le secteur privé, de 3,8 millions de dollars en nouveaux prêts à terme en fournissant des garanties de prêts de trois millions de dollars sur la somme récupérable des Initiatives de développement économique rural. La Société des services agricoles du Manitoba a facilité le consentement d'une somme additionnelle de 400 000 $ en crédit à l'exploitation par le secteur privé en fournissant 100 000 $ de garanties de prêts par l'intermédiaire du **Programme de garantie de crédit à l'exploitation pour les petites entreprises rurales**.

Le **processus d'analyse économique régionale** (Regional Economic Analysis Process) combine l'analyse régionale de données démographiques et de données sur le travail, les entreprises et les industries pour que les collectivités puissent cerner des possibilités de développement économique, déterminer leurs priorités et créer un plan d'action. En 2014-2015, huit projets d'analyse économique régionale ont été réalisés, mettant en jeu 46 municipalités et trois Premières nations.

La **Société des services agricoles du Manitoba** a facilité le consentement de 71,4 millions de dollars en nouveaux prêts agricoles par le secteur privé en fournissant des garanties de prêts totalisant 17,9 millions de dollars. De plus, 2 millions de dollars en prestations d'intérêts ont été fournis aux jeunes agriculteurs.

Table of Contents

Title **Page**

Organization Chart........ 1
Executive........ 2
Preface........ 3

SECTION ONE – PART A – PROGRAM AND FINANCIAL INFORMATION........ 7

Appropriation 1 – Administration and Finance........ 8
1 (a) Minister's Salary........ 8
1 (b) Executive Support........ 9
1 (c) Strategic Planning and Corporate Information Directorate........ 10
1 (d) Financial and Administrative Services........ 12
1 (e) Information Technology Services........ 15

Appropriation 2 – Policy and Agri-Innovation........ 17
2 (a) Policy Development and Analysis Knowledge Centre........ 17
2 (b) Agri-Innovation and Adaptation........ 22
2 (c) Boards, Commissions and Legislation........ 28
2 (d) Agricultural Sustainability Initiative........ 32
2 (e) Manitoba Biomass Energy Support Program........ 34

Appropriation 3 – Risk Management, Credit and Income Support Programs........ 35
3 (a) Manitoba Agricultural Services Corporation........ 35
3 (b) Agricultural Income Stabilization........ 37
3 (c) Farmland School Tax Rebate........ 39
3 (d) Less: Recoverable from Rural Economic Development Initiatives........ 40

Appropriation 4 – Agri-Industry Development and Advancement........ 41
4 (a) Livestock Industry........ 41
4 (b) Chief Veterinary Office/Food Safety........ 48
4 (c) Crop Industry........ 56
4 (d) Agri-Environment........ 60
4 (e) Less: Recoverable from Rural Economic Development Initiatives........ 64

Appropriation 5 – Agri-Food and Rural Economic Development........ 65
5 (a) Growing Opportunities Centres........ 65
5 (b) Value-Added and Rural Economic Advancement........ 71
5 (c) Food Development Centre........ 75
5 (d) Food Commercialization and Marketing........ 77
5 (e) Infrastructure Grants........ 80
5 (f) Rural Opportunities 4 Growth........ 81
5 (g) Less: Recoverable from Rural Economic Development Initiatives........ 82
5 (h) Rural Economic Development Initiatives........ 83

Appropriation 6 – Costs Related to Capital Assets........ 84
6 (a) Amortization Expense........ 84
6 (b) Interest Expense........ 84

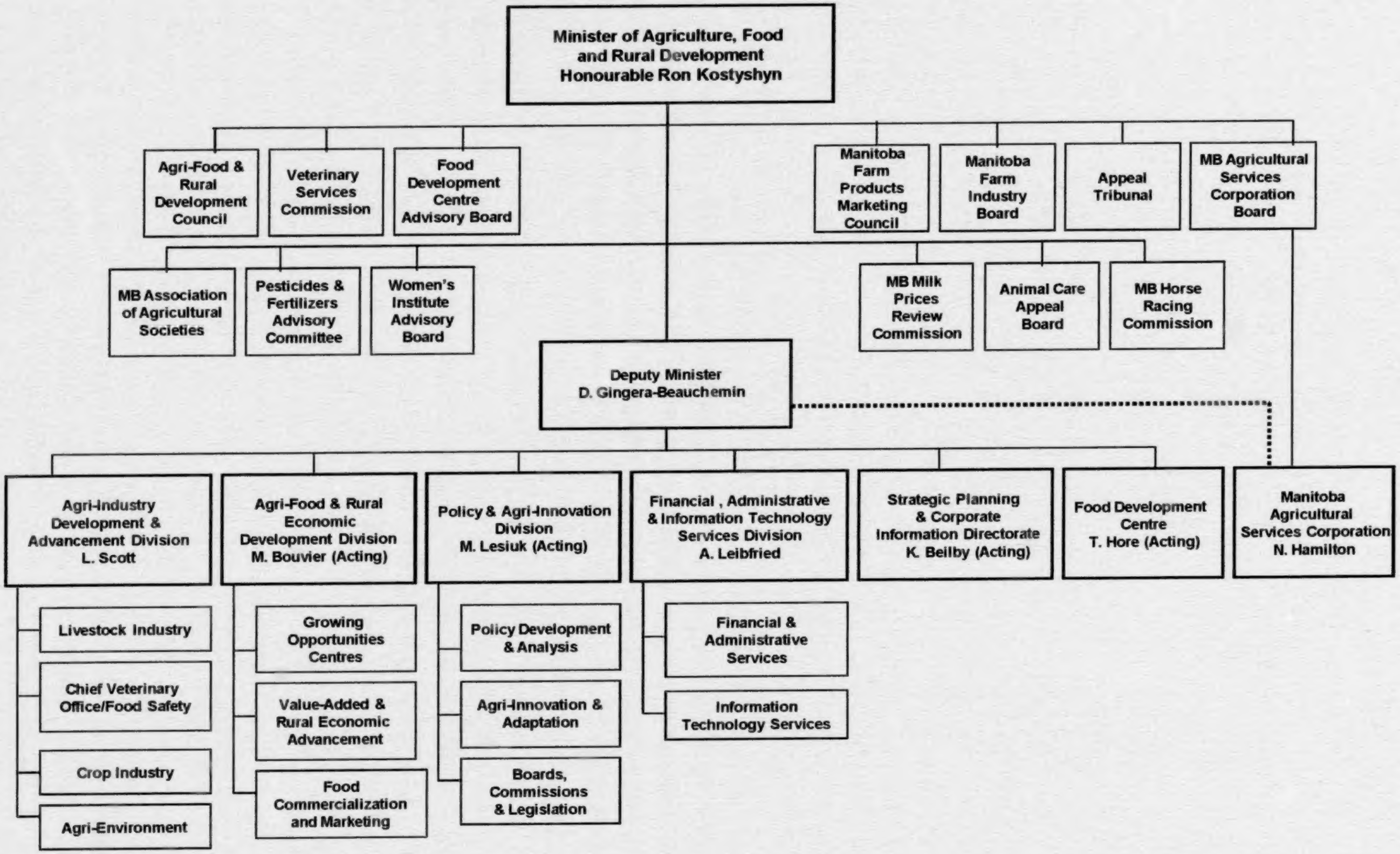
SECTION ONE – PART B – CAPITAL INVESTMENT INFORMATION 85
Part B – Capital Investment 86

SECTION TWO – ADDITIONAL FINANCIAL INFORMATION AND APPENDICES 87

Appendix A: Expenditure Summary for Fiscal Year Ended March 31, 2015 88
Appendix B: Reconciliation Statements 96
Appendix C: Distribution by Main Appropriation: Expenditures 97
Appendix D: Percentage Distribution of Salaries and Employee Benefits and Full Time Equivalents 98
Appendix E: Revenue Summary for Fiscal Year Ended March 31, 2015 99
Appendix F: Five-Year Expenditure History for Years Ending March 31, 2011 to March 31, 2015 100
Appendix G: Five Year Expenditure and Staffing Summary by Main Appropriation for Fiscal Years Ending March 31, 2011 to March 31, 2015 101
Appendix H: Statutory Responsibilities of the Minister of Agriculture, Food and Rural Development 102
Appendix I: Performance Indicators 2014/15 103
Appendix J: The Public Interest Disclosure (Whistleblower Protection) Act 107
Appendix K: Sustainable Development Integration 108
Appendix L: The Farm Machinery and Equipment Act Fund for Calendar Year Ended December 31, 2014 114

Organization Chart of Manitoba Agriculture, Food and Rural Development

(This organization chart depicts the status of the department as of March 31st, 2015)


Minister of Agriculture, Food and Rural Development
Honourable Ron Kostyshyn
Agri-Food & Rural Development Council
Veterinary Services Commission
Food Development Centre Advisory Board
Manitoba Farm Products Marketing Council
Manitoba Farm Industry Board
Appeal Tribunal
MB Agricultural Services Corporation Board
MB Association of Agricultural Societies
Pesticides & Fertilizers Advisory Committee
Women's Institute Advisory Board
MB Milk Prices Review Commission
Animal Care Appeal Board
MB Horse Racing Commission
Deputy Minister
D. Gingera-Beauchemin
Agri-Industry Development & Advancement Division
L. Scott
Livestock Industry
Chief Veterinary Office/Food Safety
Crop Industry
Agri-Environment
Agri-Food & Rural Economic Development Division
M. Bouvier (Acting)
Growing Opportunities Centres
Value-Added & Rural Economic Advancement
Food Commercialization and Marketing
Policy & Agri-Innovation Division
M. Lesiuk (Acting)
Policy Development & Analysis
Agri-Innovation & Adaptation
Boards, Commissions & Legislation
Financial, Administrative & Information Technology Services Division
A. Leibfried
Financial & Administrative Services
Information Technology Services
Strategic Planning & Corporate Information Directorate
K. Beilby (Acting)
Food Development Centre
T. Hore (Acting)
Manitoba Agricultural Services Corporation
N. Hamilton

MANITOBA AGRICULTURE, FOOD AND RURAL DEVELOPMENT

Executive

Honourable Ron Kostyshyn, Minister

D. Gingera-Beauchemin, Deputy Minister

L. Scott, Assistant Deputy Minister
Agri-Industry Development and Advancement Division

M. Bouvier, A/Assistant Deputy Minister
Agri-Food and Rural Economic Development Division

M. Lesiuk, A/Assistant Deputy Minister
Policy and Agri-Innovation Division

A. Leibfried, Executive Financial Officer
Financial, Administrative and Information Technology Services Division

K. Beilby, A/Executive Director
Strategic Planning and Corporate Information Directorate

T. Hore, A/General Manager and Chief Operating Officer
Food Development Centre

N. Hamilton, President and Chief Executive Officer
Manitoba Agricultural Services Corporation

Preface

Purpose and Organization of the Annual Report

This report was prepared by Manitoba Agriculture, Food and Rural Development (MAFRD) to summarize the activities and accomplishments of the department during the 2014/15 fiscal year. The report is divided into two major sections:

- **Section One** includes Part A — Program and Financial Information — and Part B — Capital Investments, which are organized in accordance with the departmental appropriation structure.
- **Section Two** contains all appendices such as summary financial tables, ministerial statutory responsibilities, performance indicators, information on *The Public Interest Disclosure (Whistleblower Protection) Act* and sustainable development activities.

Mission

MAFRD works to accelerate the greater prosperity and capacity of agricultural producers and industry, food processors, other rural entrepreneurs, organizations as well as rural and northern communities. We do this by providing leadership and a range of information, programs and services in support of a vibrant rural and northern Manitoba.

Our Vision

Agriculture will drive the transformation and growth of Manitoba's economy by:

- Seizing leading edge business opportunities to capitalize on available natural resources and advantages, in a sustainable manner;
- Working together to build northern and rural communities and regions that are forward thinking and act upon future opportunities;
- Advancing future development based on understanding and utilization of market intelligence; and
- Ensuring the safe production and processing of Manitoba foods.

Agriculture is a solution provider to this transformation, providing:

- Profitable primary agriculture
- Increased economic activity and investment to sustain and grow rural Manitoba;
- Opportunities to add value to Manitoba-produced commodities for food, animal feed, bio-energy, bio-fibre and other uses;
- Products, such as nutraceuticals, functional foods and pharmaceuticals, to increase the health and wellness of Manitobans and the world; and
- Solutions to enhancing environmental sustainability in Manitoba.

Values

- *Family farm businesses form the backbone of Manitoba's agri-food industry.*
- *Agriculture, food and rural economic development are key parts of Manitoba's present and future economic prosperity.*
- *Profitable agricultural production is a foundation for rural Manitoba.*
- *Agriculture producers, landowners and stakeholders have a key role in maintaining and supporting healthy agro-ecosystems.*

- *Economic diversity and community-centred development are important to a vibrant rural Manitoba.*
- *Rural Manitobans have the natural and human resources to grow and diversify their economies.*
- *Success will result from proactive, action-orientated and innovative approaches.*
- *We accomplish more through partnerships and consultation with producers, business owners, industry and communities.*
- *We provide unbiased technical advice.*

Strategic Priorities

PRIORITY 1 – Food Security - Production and Safety

- Increasing agricultural productivity
- Supporting risk management practices
- Providing credit tools to support producers, rural business and intergenerational transfer
- Increasing the viability of farm businesses
- Protecting the safety of Manitoba's food supply

PRIORITY 2 – Economic Opportunities

- Increasing the value of food processing in Manitoba
- Leading in the development of health foods
- Growing value-added business
- Building rural economic development capacity
- Supporting agri-product/bio-product industry advancement

PRIORITY 3 – Agricultural Resource Base

- Ensuring a healthy agro-ecosystem; including nutrient and on-farm surface water management
- Increasing resilience for climate change adaptation
- Managing and protecting agricultural lands
- Mitigating greenhouse gas emissions from agriculture
- Conserving and enhancing ecological goods and services

PRIORITY 4 – Science, Innovation and Adaptation

- Establishing a Grain Centre of Excellence
- Increasing innovation capacity in Manitoba
- Accelerating commercialization of research
- Increasing agriculture productions resiliency to climate variability

PRIORITY 5 – Internal Improvements

- Modernizing the MAFRD service delivery model
- Increasing lean management skills and comptrollership
- Improving department plan management systems

Tools and Resources

MAFRD provides programs and services to a broad audience ranging from agricultural producers, food and agri-product processers to rural communities.

MAFRD delivers its programs and services to our clients through Growing Opportunities (GO) Centres/Offices including one Winnipeg-based GO Centre. Knowledge Centres support the delivery of programs and services through the development of leading edge knowledge. MAFRD is enhanced by the programs and services provided through the Food Development Centre (a special operating agency) and with the Manitoba Agricultural Services Corporation (a Crown corporation).

A key mechanism for delivering agriculture and agri-food programming is Growing Forward 2 (GF2). GF2 is a framework for co-ordinated federal/provincial/territorial government action to foster innovation, competitiveness and market development and adaptability and industry capacity by using strategic initiatives and business risk management programs. Federal, provincial and territorial ministers have ensured that this mechanism will continue to provide support to the delivery of agriculture and agri-food programming through March 2018.

The department invests in scientific research and development programs and initiatives to drive innovation, increased competitiveness and sustainability of the agri-food industry. MAFRD's financial investments leverage significant industry contributions to advance further innovation.

MAFRD uses information technology resources to assist clients to receive services closer to home. Improving service to clients, evaluating program effectiveness and managing financial and human resources to maximize efficiencies and effectiveness continue to drive decision making within MAFRD.

Performance Indicators

Performance indicators provide Manitobans with meaningful information about the outcomes of government's activities along with financial results. Some measures incorporate data collected by the provincial government, while others show data collected by external agencies.

The department currently tracks five indicators in support of the priorities identified in the strategic plan.

For MAFRD's Performance Indicators refer to Appendix I.

Internet Site

The department's annual report and details on its many programs and services can be found on the Manitoba Agriculture, Food and Rural Development Internet site: www.gov.mb.ca/agriculture.

SECTION ONE

PART A

PROGRAM AND FINANCIAL INFORMATION

Appropriation 1
Administration and Finance

Administration and Finance provides for the executive management, strategic planning and control of departmental policies and programs. It includes financial and administrative management, accounting, comptrollership accountability, and information technology services.

Appropriation 1 (a) – Minister's Salary

Mandate

Provides for the additional compensation an individual appointed to the Executive Council is entitled to.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	32	1.00	37	(5)	
Total Sub-Appropriation	**32**	**1.00**	**37**	**(5)**	

Appropriation 1 (b) – Executive Support

Mandate

Executive Support provides effective leadership in achieving the department's mission, goals, objectives, and priorities.

Expected Results
• Effective and efficient delivery of the department's programs and services including allocation of financial, physical and human resources in line with the government's policies and priorities.
Actual Results
• Executive staff ensured that departmental resources were allocated in accordance with departmental priorities and government policies. • The department led and co-ordinated the decision-making process in the development, implementation, monitoring and evaluation of the department's policies and programs.

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	669	9.00	674	(5)	
(2) Other Expenditures	57		80	(23)	
Total Sub-Appropriation	**726**	**9.00**	**754**	**(28)**	

Appropriation 1 (c) – Strategic Planning and Corporate Information Directorate

Mandate

The Strategic Planning and Corporate Information Directorate's (SPCID) mandate is to:

- Provide leadership in the development of the departmental vision and its strategic plan.
- Foster excellence in unit-level strategic and operational planning.
- Lead the department's performance management system, and provide oversight on performance reporting requirements for federal/provincial programming.
- Support, monitor and report on implementation of strategic directions and policies for the department.
- Co-ordinate corporate reporting including annual estimates, annual reports, *The Freedom of Information and Protection of Privacy Act* (FIPPA).
- Support the department's capacity to implement lean management practices to increase effectiveness and efficiency in the use of departmental resources.

Program, Activities and Expected Results

Strategic Planning and Results

Expected Results
• Departmental strategic plan will be current and focused on stated priorities. • The work units within the department will have operational plans that align with departmental priorities and objectives. • The department will have an integrated performance measurement system in place to support effective and economical resource allocation, continuous improvement and enhanced transparency and reporting. • Agri-Food and Rural Development Council (AFRDC) will provide advice on opportunities and approaches for future prosperity in the agriculture and food sectors and rural communities. • The department will improve its planning and reporting systems and internal communication processes.
Actual Results
• Led the department's Executive Management Committee (EMC) in the development of the departmental 2014/15 strategic plan. • Supported work units in understanding and aligning budgets and operational plans with departmental priorities and objectives. • MAFRD developed a Strategic Direction 2015-18 which provides a critical tool for departmental planning. • Provided leadership and support to the EMC in the departmental realignment and other initiatives to ensure the department is positioned to achieve the Strategic Direction. • Maintained existing performance management systems. • AFRDC did not convene in the 2014/15 year. The minister hosted two broad industry consultations around Growing Forward 2 and Federal/Provincial Territorial frameworks. • Led the continued initiatives to improve internal communication processes, including a Drive Restructure project.

Corporate Information

Expected Results
• Planning and reporting will focus on the department priorities and objectives and will be tabled in the Legislature as required in *The Financial Administration Act*. • Project management support will be provided to the Minister and Executive Management Committee in achieving streamlined briefing and reporting requirements. • Ministerial correspondence and speeches will provide timely and effective information. • The department will respond to requests under FIPPA in accordance to the Act and its regulations. • Internal communications will meet the department's information needs and lean principles will be applied to the development of these internal documents. • An external communications strategy will include new approaches to communications including options for social media networking.
Actual Results
• The directorate co-ordinated processes to complete the 2013/14 annual report and the 2014/15 supplementary information for legislative review. • The directorate modified the advisory note system to improve timeliness and accessibility of program information. • SPCID provided information for over 380 ministerial letters and presentations. • The department responded to 66 requests for information under FIPPA in 2014/15. • SPCID co-ordinated submission of Lean Management Initiatives including a lean project regarding data collection and management in the department. • MAFRD launched a departmental twitter channel as a pilot project on June 4, 2014. Over the year, the department issued 730 tweets and attracted 870 followers. Plans are in place to sustain the MAFRD channel.

1 (c) Strategic Planning and Corporate Information Directorate

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	330	7.00	537	(207)	
(2) Other Expenditures	88		133	(45)	
Total Sub-Appropriation	**418**	**7.00**	**670**	**(252)**	

Appropriation 1 (d) – Financial and Administrative Services

Mandate

The Financial, Administrative and Information Technology Services Division provides comptrollership support and assurances that financial and information technology management practices, systems, delegated authorities and processes are functioning to support accountability and that expenditures are in compliance with policies, procedures, acts and legislation. The division also leads the Department Audit Committee and is responsible for following up on audit recommendations, reviewing and implementing department wide enterprise risk management to promote governance, awareness and accountability through staff training and risk assessment, and co-ordinates the government department reporting required under *The Financial Administration Act*.

The Financial and Administrative Services Knowledge Centre provides leadership in developing and administering financial and administrative support systems and co-ordinates the department's reporting required under *The Financial Administration Act*. The knowledge centre co-ordinates the preparation of the annual estimates of expenditure, revenue and capital investment together with managing the financial planning, control and reporting systems and is responsible for the development and implementation of corporate administrative policy in conjunction with central government requirements.

Financial Planning, Reporting, and Accountability

Expected Results

- The department's revenue and estimates of expenditure are completed in a timely and accurate manner and align with departmental/government priorities and objectives.
- Spending and authority seeking documents are in accordance with policies, updated in a timely fashion and are consistent with the department's annual budget requirements.
- Monthly, quarterly, and year-end financial reports are timely, accurate and provide meaningful information for senior management's decision making and are consistent with government policies/directives on financial reporting requirements.
- Financial systems exist to accurately track funds, reconcile supporting documentation and provide meaningful information for decision making.

Actual Results

- Co-ordinated the preparation of the annual estimates, as well as other financial reporting, in a timely manner consistent with provincial reporting guidelines including cash flows, variance reporting as well as legislative, regulatory and year-end reporting.
- Supported the implementation of the new Planning, Budgeting and Financial Management (PBFM) tool in the Systems Application Program (SAP), including determining the allocation of the departmental budget, reviewing and updating coding hierarchies and validating Personnel Expenditure Projection (PEP) information. Staff successfully submitted its preliminary estimates on time using the new budgeting tool.
- Provided analytical support used in ongoing reporting and in-year submissions related to program activities throughout the department. The value added analysis undertaken by staff informed the decision making process to achieve departmental priorities.
- Reconciled departmental general ledger accounts on a regular basis to ensure balances are reflected accurately and to ensure that payables and revenue were attributed to the correct fiscal year.

- Continued to provide leadership throughout the department on financial and administrative policies, practices and procedures.
- Assisted in establishing administrative processes and delegating financial signing authorities for Growing Forward 2 Agreement programs.
- Provided training and technical support to the department on the use of provincial financial systems and accounting guidelines.

Comptrollership and Risk Mitigation

Expected Results

- The Comptrollership Plan will be accurate, effective and representative of the department's internal controls and consistent with central government requirements. In addition, staff will have the tools available to facilitate efficient and effective comptrollership.
- The Department Audit Committee will review programs and initiatives to ensure that audits are conducted in areas of high risk and that audit recommendations are implemented.
- Contracts and agreements will be administratively, financially and legally sound; departmental properties and inventories will be insured appropriately.
- Policies, guidelines and procedures will be developed, communicated and easily available to staff on an internet resource portal.
- Staff will be provided a safe working environment, a venue for reporting on workplace safety and health concerns and all members of the public will have access to departmental resources and facilities.

Actual Results

- Continued to work on updates to components of the departmental Comptrollership Plan.
- Participated in government-wide internal audits as required and responded to external audit requests and continued to review and implement recommendations as necessary. The Department Audit Committee was inactive during the 2014/15 fiscal year, pending finalization of revised procedures.
- Co-ordinated departmental responses to Office of the Auditor General requests related to year-end financial reporting and verification of results.
- Provided advice and liaised with Civil Legal Services in the development of contracts and agreements and Requests for Proposals as required.
- Implemented a new form for informal tendering and untendered contracts. Continued to review and update departmental procurement procedures.
- Responded to workplace, safety and health questions and concerns and led the department's disability access working group, obtaining approval of its operating plan.

Additional Results

- Co-ordinated the Student Temporary Employment Program (STEP) which employed 41 full-time summer students and eight part-time fall and winter students with a continued focus on diversity in the workplace.
- Liaised with Manitoba Infrastructure and Transportation and department staff with regard to lease renewals, allocation of space and maintenance of up-to-date space allocation records.
- Participated on a number of departmental and inter-departmental working groups/committees, including Disability Access, Green Building, Freedom of Information and Protection of Privacy, Workplace Safety and Health, Governance Risk Compliance,

SAP Finance Business Council, Senior Financial Managers Council and Chief Executive Financial Officers Council.

1 (d) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	1,006	14.50	1,158	(152)	
(2) Other Expenditures	304		350	(46)	
Total Sub-Appropriation	**1,310**	**14.50**	**1,508**	**(198)**	

Appropriation 1 (e) – Information Technology Services

Mandate

The Information Technology Services (ITS) Knowledge Centre collaborates with the department and Business Transformation and Technology (BTT) to plan, develop and maintain modern information technology (IT) solutions that meet client and operational needs. Solutions range from the desktop computing environment to a large, highly specialized laboratory and food traceability systems.

In addition to program and service specific technologies, ITS staff is responsible for leadership and alignment of technologies providing shared service platforms such as the website, the Spatial Data Infrastructure for Geographic Information Systems, collaborative work places and AccessManitoba.

ITS staff use business analysis, project management, change management and their IT knowledge to assess current technologies and processes and to document the desired future state. The analysis considers information security, process alignment, technology re-use and risk mitigation to allow the business owners to assess cost/benefit and make strategic decisions.

Develop and Maintain Information Technology Systems

Expected Results

- Technology solutions will support client services, business and operational needs.
- Technology systems will be documented and system health (age, information security, business value) will be understood by the business. Desktop computers will be available to staff in a manner that meets their business needs in a cost effective manner.
- Records that document system access will be maintained and updated collaboratively with program areas.
- Projects will have sufficient information to make strategic, business case based decisions for system enhancements and new system development.
- Services to citizens and operational processes will be modernized resulting in more efficient and effective delivery as described by program managers.

Actual Results

- Ongoing analysis of technology solutions to support client services, business and operational needs has resulted in projects to update online services, improved office efficiencies, enhanced information management and the identification of future initiatives.
- Made desktop computers available to staff in a cost effective manner. In anticipation of routine computer replacement, ITS will ensure staff computing resources will enable the current and future use of video chat, Geographic Information Systems (GIS), mobile devices and enhancement to program management tools.
- Collaborated with program areas and BTT on a number of vitality projects to ensure accurate system documentation, risk management and modernization. These projects included documenting systems and processes, updating aging computer systems, developing procedure manuals, providing technical and operational support and supporting BTT to replace technology according to Manitoba's policy.
- Along with its role in supporting computer and information management systems, ITS expanded its role to include program operational demands on an emergency basis as staff complements changed.

- As systems are developed or enhanced, processes and systems that document system access are maintained and updated in collaboration with program areas. The processes strive to balance operational efficiencies, information security and privacy of information.
- Enhanced processes and tools allowed projects to effectively develop sufficient information to make strategic, business case based decisions for system enhancements and new system development. These processes align human and financial resources with business needs and urgencies to efficiently meet client and departmental needs.
- Initiated pilot projects to assess the effectiveness of gathering Geographic Information Systems (GIS) data in the field using automation. This is anticipated to increase the quantity and quality of information available for analysis and assessment of client needs.
- Plans to evaluate information management needs and develop system prototypes are underway. Implementation is occurring in phases and will provide greater opportunities to collaborate on client service, increase operational efficiencies and enhance analysis for program delivery and industry development.

1 (e) Information Technology Services

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	747	10.50	843	(96)	
(2) Other Expenditures	162		195	(33)	
Total Sub-Appropriation	**909**	**10.50**	**1,038**	**(129)**	

Appropriation 2
Policy and Agri-Innovation

The Policy and Agri-Innovation division co-ordinates long term policy, program, legislation and legislative development for the department. It conducts research and analysis, provides agriculture and food statistics, and industry intelligence. The division also provides support and funding for the administration of various boards and commissions, and provides professional support and programming in the areas of diversification, research, innovation and adaptation and acts as a liaison and co-ordinator of legislation and research with provincial and federal agri-food research agencies.

Appropriation 2 (a) – Policy Development and Analysis Knowledge Centre

Mandate

The role of the Policy Development and Analysis Knowledge Centre (PDAKC) is to analyze and provide objective information on agriculture, food and rural development policy issues to government decision-makers, facilitate policy development and industry strategic planning and assist in communicating government policies to the public.

The knowledge centre co-ordinates MAFRD's economic information on agricultural and agri-food industry including profiles, production, marketing and outlooks and provides economic analysis for MAFRD policy and program development and industry strategic planning.

More specifically, PDAKC leads research, analysis, industry engagement and policy advice in the development and/or administration of policy in the following areas:

- Driving a sustainable and profitable industry with a focus on competitiveness, business risk management, agri-environment, marketing, transportation and trade
- Encouraging a business environment that develops and expands on the food processing industry in Manitoba and continues to ensure a safe, high quality food supply for Manitobans
- Acknowledging rural communities with agriculture, agri-food, agri-product and agribusiness sectors as key contributors to job creation and the economic well-being of Manitoba

PDAKC provides input into agricultural land use planning on private, Crown and traditional lands, as guided by *The Planning Act* and the Provincial Land Use Policies. The knowledge centre also assesses the agricultural impact of land use proposals under various other Acts.

Policy Analysis, Development and Implementation

Expected Results

- Offer a set of policy instruments for Manitoba that provide an innovative business environment for the agriculture, agri-food and agri-product industry to be market responsive, competitive and sustainable.
- Gain support from American legislators for voluntary labelling to avoid retaliatory measures.
- Participate in trade policy agreements and activities that improve trade opportunities and meet international trade obligations.
- Rural development occurs in a planned, balanced and sustainable manner to ensure maximum economic benefit and minimal land use conflicts.
- Make transportation services, especially rail, available at a level that supports Canada's position as a reliable exporter and allows producers and shippers to market grain in a manner that optimizes economic return.

Actual Results

- Provided support on Federal/Provincial/Territorial (FPT) policy issues; the development of briefing materials for FPT meetings and the hosting of the annual industry consultation prior to the FPT Ministers annual conference.
- Assisted the Agricultural Risk Management Review Task Force to consult stakeholders on the current Business Risk Management (BRM) tools available and their ability to respond to events that result from a changing climate. Final report to be completed in 2015. Completed an environmental scan and detailed sector analysis of the food processing industry in Manitoba. Industry issues have been identified using different consultation tools and based on this information; a food processing strategic plan is currently in draft stage.
- Provided policy support on the provincial Food Safety Regulation consultation final report.
- Provided policy support for the development and drafting of:
    - *The Farm and Food Awareness Act* (Bill #4) that was introduced in the fourth Session – 40th Legislature.
    - *The Animal Diseases Amendment Act* (Bill #71) that was introduced in the fourth Session – 40th Legislature.
- Minister Kostyshyn led the Canadian delegation at the 2014 Tri-National Accord in Chicago in October 2014. Delegates from Canada and the U.S. issued a joint statement encouraging federal governments of each nation to determine a path forward that ensures each country can respect its trade obligations and resolve the dispute over U.S. Country of Origin Labelling (COOL).
- Consulted with Manitoba Jobs and the Economy and Canadian negotiators during bilateral trade negotiations concerning India and the Trans-Pacific Partnership countries so that they were informed of the provincial agriculture industry's priorities to help with the greatest possible economic growth outcome for Manitoba.
- Submitted comments on the impact to the Manitoba agri-food sector on U.S. plans to increase Animal and Plant Health Inspection Service (APHIS) fees to federal government to assist in creating a strategy to address regulatory changes.
- Provided policy direction for livestock operations for seven development plans covering ten municipalities.
- Provided advice and recommendations on 35 development plan amendments and six urban annexation or boundary expansions; to protect farm viability and reduce potential

land use conflicts while increasing business diversification opportunities and value added activities.
- Provided advice and recommendations on 84 zoning by-laws/amendments to ensure municipalities were not further restricting agricultural practices already regulated by the Province.
- Attended 24 meetings with Municipal Councils, Planning District Boards and/or the Department of Municipal Government as part of MAFRD's role on the Interdepartmental Planning Review Committee to discuss land use issues and plans.
- MAFRD representation on four Development Plan Technical Advisory Committees (TACs), the Subdivision Joint TAC, the Capital Region Interdepartmental Working Group (IWG), the Churchill IWG and the Conservation Subdivision Design Manual IWG.
- Provided advice and recommendations on 13 ecological reserve and park proposals to identify any potential impacts on agricultural operations.
- Communicated Manitoba's priorities on policy relating to the *Canada Transportation Act* Review. Priorities included improvements on market price reporting, changes to the Canadian wheat class system and a review of the federal Grain Monitor program.
- Worked with other government departments in supporting provincial assets, such as the port of Churchill.

Industry Strategic Intelligence

Expected Results

- Cost of production and market data enables sustainable and competitive business and industry decisions.
- Manitoba's industry priorities are communicated to and influence national transportation, grain marketing and regulatory agencies.
- Enhance understanding of the policy requirements for growing a competitive Manitoba food processing sector.
- Meet requirements for monitoring and reporting on Manitoba's World Trade Organization and government expenditures.
- Conduct projects that improve understanding of issues of relevance to rural development.

Actual Results

- MAFRD market intelligence staff collected and disseminated market and trade data and disseminated that information to MAFRD staff, to industry and to the public.
- Supported Manitoba producers and shippers of export grain by advocating for improvement of rail performance.
- Manitoba contributed to the cross country environmental scan of the challenges affecting the competitiveness of the food processing sector at the Federal/Provincial/Territorial Food Processing Industry Development Forum (FPIDF). FPIDF brings an integrated government approach to analyzing issues affecting the competitiveness of the food processing industry and to exploring policy options to address them.
- Participated in the Food Processing Industry Roundtable meetings to ensure Manitoba policies and actions are aligned with the priorities highlighted by the roundtable.
- Provided Manitoba's priorities on the Canadian Agri-Policy Institute's Processed Food Sector Research Program report.
- Provided support for the Canadian International Grains Institute (CIGI) in the funding of equipment under Growing Forward 2 programming. This funding will help CIGI to carry out its applied research work that aims to add value to crops within the province as well

as across Canada.

- Submitted provincial expenditures on the agriculture and agri-food sector data to AAFC for determination of the Organization for Economic Cooperation and Development, Producer Support Estimates and General Services Support Estimates, as well as notification of domestic support to the World Trade Organization.

Growing Forward 2 Management

Expected Results

- Growing Forward 2 programming enables the agriculture, agri-food and agri-product sector to be competitive in domestic and international markets, adaptable and sustainable through continuous development and innovative in the adoption of new products and practices.
- Sustainable Business Risk Management (BRM) programs effectively provide for Manitoba's agriculture industry risk management needs.
- In the event of an unforeseen disaster, develop effective recovery plans to sustain farms through crisis.

Actual Results

- Developed and implemented a suite of programs to advance the agriculture industry by helping producers and processors become more innovative and competitive.
- Committed more than $87 million of the $176 million federal and provincial five year Growing Forward 2 investment, as of March 2015:
  - Invested $40 million in over 127 initiatives in research and development
  - Invested $21 million invested in 942 assurance environment initiatives to assist Manitoba's agriculture industry adopt food safety, biosecurity, traceability, animal welfare and environmental practices.
  - Invested $1.7 million to 30 agricultural organizations to develop strategic plans to lead the industry forward.
  - Invested $8.8 million to 39 projects that increase agri-product processing sustainability and capacity.

Growing Forward 2 Strategic Initiatives	# of Applications Approved	Amount Approved $ (000's)
Growing Innovation	127	43,440
Growing Value	39	9,003
Growing Actions	13	1,938
Growing Assurance	943	21,023
Growing Adaptation	18	4,483
Growing Visions	17	895
Growing Competitiveness	82	1,255
Federally Attributed Programs	-	5,800
Total Funds Approved to March 31, 2015	**1,239**	**87,837**

2 (a) Policy Development and Analysis

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	2,110	31.00	2,648	(538)	1
(2) Other Expenditures	418		469	(51)	
Total Sub-Appropriation	**2,528**	**31.00**	**3,117**	**(589)**	

1. *The decrease is mainly due to vacancy management.*

Appropriation 2 (b) – Agri-Innovation and Adaptation

Mandate

The Agri-Innovation and Adaptation (AIA) Knowledge Centre is responsible for government policies and programs related to science and innovation in the agriculture sector. Activities cover the entire science and innovation continuum from discovery to applied pre-commercialization projects.

More specifically, the AIA Knowledge Centre:

- Helps expand the capacity for agri-food innovation in Manitoba and develops policies and programs that encourage the development and application of agricultural science to improve agricultural productivity and profitability.
- Performs applied research in co-operation with producers and businesses at applied research centres at Melita, Arborg, Roblin, and the Canada-Manitoba Crop Diversification Centres in Carberry, Portage la Prairie and Winkler. This work assesses new agricultural production techniques and supports the development of value added products.
- Manages the department's investment in functional food development aimed at building the scientific and economic link between food and human health. Activities are focused at Richardson Centre for Functional Foods and Nutraceuticals, Food Development Centre, Canadian Centre for Agri-Health Research in Medicine and in Manitoba's universities and colleges.
- Assists the development of a green economy through programs that encourage the creation of new products and processes based on primary products and by-products of agriculture and agri-food processing. The knowledge centre manages the Manitoba Biomass Energy Support program.

Adaptation – Diversification Centres

Expected Results

- Annual field tours attract 40 to 160 people, per site, per event.
- Industry, international and foreign visitors and diplomats visit sites (1 to 2 per year).
- Hold grower and industry meetings throughout Manitoba, nationally and internationally.
- Technology transfer events such as Manitoba Ag Days in Brandon, Farm Focus in Boissevain and a variety of industry sponsored meetings extend project results to industry.
- Develop website, branding and marketing diversification centres and their capabilities. Develop media releases in email updates, annual reports and social media to extend project results to industry.
- Support and promote producer contact at each diversification centre site.
- Support partnerships with industry/grower groups, rural development groups, rural municipalities, universities, federal and provincial affiliations and other applied research groups.
- Strengthen partnerships with Food Development Centre, Richardson Centre, Manitoba Agri-Health Research Network, Canadian International Grains Institute (CIGI), Rural Development Institute (RDI) and Composites Innovation Centre (CIC).
- Improve research performance related to trial risk, information collection and research

service with use of unmanned aerial vehicles (UVAs).
- Continue efforts to buffer farm gate incomes from fluctuation with diversified crops.

Actual Results

- Held extension events that drew approximately 500 attendees.
- Hosted 11 producer and industry group tours including one U.S. farm group investigating hemp, one agriculture journalist from France, as well as seed growers, potato processors and various crop producer groups.
- Presented at 10 events across Manitoba showcasing results of Centre experiments on cropping strategies. Centre Specialists have been invited to speak in Europe.
- Conducted extension activities at Manitoba Ag Days, including a report on grain quality trials conducted with CIGI.
- Presentations were made at CropSphere, CropConnect Conference and Canadian Hemp Trade Alliance workshops.
- Acquired UAVs and initiated training on their safe use. Parkland Crop Diversification Foundation conducted four extension events on UAVs. Parkland Crop Diversification Centre improved websites and posted the annual reports, distributing 400 annual reports and conducted extensions through Facebook, Twitter and a blog on UAVs.
- Developed project sponsorships, collaborations and executed with the University of Manitoba, Saskatchewan Agri-Arm sites, CIGI, Quaker, Northstar Genetics, Saskatchewan Crop Development Centre, Manitoba Corn, Pulse, Buckwheat, Sunflower, Potato and Seed Growers Associations and Brandon University.
- Conducted over 100 field trials in 2014/15 which brought the total to approximately 1000 Diversification Centre trials since 2005 in support of cropping systems to increase farm gate revenue.

Innovation – Growing Forward 2 (GF2)

Expected Results

- Customized indicators of trends will be developed from results of ongoing polling of 4,000 Manitobans on their attitudes toward food.
- Higher value uses for commodities will be identified in order to increase the number of economically viable farms.
- A number of projects will be funded to reveal the health properties of foods and increase the value of the food processing sector.
- New healthy products will be developed or healthy ingredients incorporated into Manitoba's food processing industry, thus increasing the value of the sector.
- Emerging industries will be encouraged to partner with crop diversification centres and provide agronomic development support.
- A number of research projects will be undertaken by the Manitoba Livestock Manure Management Initiative to decrease phosphorus loss to the environment.
- A number of projects will be developed that define the health attributes of Manitoba farm products and position Manitoba as a leader in healthier foods.
- A number of projects will be conducted in co-operation with companies that will accelerate commercialization of research in Manitoba.
- New businesses or new products, processes or practices will be advanced by innovation programming that will accelerate commercialization of research in Manitoba.
- Research investment, collaboration, resource sharing and extension will lead to increased commercial adoption of research in Manitoba.
- A number of new crop varieties adapted to Manitoba's variable climate will be

generated and will increase agriculture's resilience to climate variability.

- A number of projects will be undertaken utilizing new genetic molecular markers to accelerate development of new crop varieties with new pest resistance or novel genes that increase agriculture's resilience to climate variability.
- A number of projects will be pursued to improve soil health and increase agriculture's resiliency to climate variability.
- A number of projects will be funded that advance innovation at the farm level.

Actual Results

- In 2014/15, the Manitoba Consumer Monitor Food Panel (MCMFP) polled 4,000 Manitobans (2,000 Winnipeg, 2,000 rural) on their food and health experiences: use of grain legumes, attitudes towards breakfast, snack bars and smoothies, opinions on food safety and habits regarding meat purchases. Results were posted on the MCMFP website and promoted to industry and other interested parties as well as promoted a display established at the Farm and Food Discovery Centre at the University of Manitoba.
- Agri-Food Research and Development Initiative (ARDI) awarded $3.53 million to 30 projects that enhance farm viability including improving hemp oil quality, soybean production, organic grain, flooding tolerance, canola meal quality, disease resistant malt barley, beef carcass quality, poultry cage systems, potato production, dairy manure digestion, buckwheat quality and improved flavour in pork.
- Assiniboine Community College continued research under a five-year (2013/14 – 2017/18) grant of $930,000 collecting data on greenhouse production of horticultural crops including screening of sweet potato germplasm. The information was used in workshops targeted at food production in Manitoba's north.
- Manitoba Horticulture Productivity Enhancement Centre (MHPEC) was awarded a three year (2014/15 – 2017/18) grant of $528,000 to the potato industry. Projects will focus on improving potato yield and quality in the frozen potato products sector.
- Manitoba Corn Growers Association continued activities under a five-year (2013/14 – 2017/18) grant of $1.34 million to expand the potential for corn production and utilization in Manitoba. Progress was made toward early maturing rapid dry down hybrids. The research is connected to market demand for corn which was investigated by researchers to determine the size and location of various end uses for corn.
- The department funded the testing of 34 new crop varieties under the Manitoba Crop Variety Team program in 2014/15. Agronomic and quality data was published in Seed Manitoba 2015 which assisted producers in selecting varieties best adapted to their region.
- The Manitoba Agri-Health Research Network (MAHRN) continued to operate on a five-year (2013/14 – 2017/18) grant totalling $1.98 million working toward the development and commercialization of foods proven to prevent or treat chronic disease. In 2014/15, MAHRN worked with European Union (EU) countries to utilize the health attributes of canola. Chile used Manitoba cereals in healthy bread products, and China, Australia and the EU used antioxidant rich vegetables. In additional work, seed samples of soy, hemp and beans taken from the local growing environment were characterized for health attributes with these samples being retained in a biobank for future reference.
- Demonstrated the health attributes of cold-press canola oil to the local food service industry and six products were sold under the MAHRN-trademarked NuEats and Canadian Climate Advantage labels including products derived from Manitoba carrots, berries, beans, buckwheat, sunflower and soy. MAHRN concluded a licensing agreement with the physician-owned U.S. company StepOne Foods resulting in the

translation of known therapeutic benefits of flax into a commercial treatment for pre-diabetes patients and heart patients intolerant to statin drugs. Clinical trials for the latter are being conducted at the Mayo Clinic. MAHRN launched the "Taste the Innovation" theme to promote functional foods.

- ARDI awarded $1.68 million to six projects investigating the health attributes of flax, hemp, buckwheat, canola and saskatoon berries.
- The department funded research to effectively manage manure, with a focus on complying with manure regulations and moving excess manure-bound phosphorous (P) to areas where background P is insufficient for crop nutrition.
- The Manitoba Livestock Manure Management Initiative (MLMMI) continues to operate on a five-year (2013/14 – 2017/18) grant of $2.33 million to investigate manure separation, handling, storage and transportation options. In 2014/15 MLMMI approved six projects for a total of $753,000 with Manitoba Pork Council contributed $379,700 to these projects which addressed long term management of annual and perennial crops with manure as the nutrient source, the use of separated manure solids as soil amendments and the evaluation of air flotation and belt filter press separation techniques.
- The department funded three projects to determine the survival of PEDv in manure lagoons in conjunction with Manitoba Pork Council and Prairie Agricultural Machinery Institute. A total of 186 hog operations were tested with none testing positive for PEDv. ARDI awarded $185,400 to three projects to improve manure-related nutrition and bio-security practices on poultry and dairy farms. A $50,000 project under the On-Farm Innovation Program evaluated the qualities of dairy cow bedding for use as compost.
- Life Sciences Association of Manitoba (LSAM) continued to operate on a five-year (2013/14-2017/18) grant of $750,000 to promote the development of the agricultural and industrial biotechnology industry including biomaterials, bioenergy, plant and animal health and functional food. Growth in these businesses compliments the existing $900 million life sciences sector in Manitoba with its 7,700 employees. LSAM led the hosting of National Biotechnology Week which enabled 125 students from four Winnipeg and three rural high schools to tour agri-food research centres. LSAM promoted Manitoba businesses at BIO World Congress and Agri-Innovation Showcase in the U.S. and at Agricultural Biotechnology International Conference (ABIC) in Saskatoon. LSAM also showcased five Manitoba companies through online videos. LSAM was awarded the rights to host ABIC in 2017. LSAM orchestrated 90 business referrals linking investors, business operators and research organizations. LSAM's training program served 104 agriculture and industrial biotechnology employees.
- Brandon University's Rural Development Institute conducted a project to assess the state of services to rural entrepreneurs developing innovation based businesses.
- ARDI awarded a total of $915,000 to nine companies to develop and commercialize innovations in bio-inoculants, cannabinoids in hemp, food treatments for blood lipid management, removal of ergot from harvested cereals, tree-free paper, buckwheat with novel health traits, anti-diabetic treatments with saskatoon berries and improved feed wheat varieties.
- ARDI awarded $116,000 to a project to enhance pre-harvest sprouting tolerance in wheat and $139,186 to a project using RNA interference technology to improve disease resistance in canola. Both projects are occurring at the University of Manitoba. The purpose of these projects is to develop genetic markers that can adapt to climate change and evolving pests.
- The GF2 On-Farm Innovation Program advanced innovation at the farm level through the Manitoba Crop Variety Evaluation Team (MCVET). The On-Farm Innovation

program awarded a total of $415,307 to nine projects for the on-farm evaluation of a variety of farm practices including lamb nutrition, polyculture, vegetable production fed by fish waste, soybean residue management, composting dairy cow bedding, novel grain drying fans, linen flax production and densification of crop residue for the bio-energy market. Thirty-four new crop varieties were tested under the Manitoba Crop Variety Team program in 2014/15.

- MAFRD provided the annual grant to the University of Manitoba Faculty of Agricultural and Food Sciences in support of research activities important to Manitoba's agriculture and agri-food sectors. In 2014/15, the grant of $782,000 supported 36 projects with a total value of $6.3 million.
- MAFRD assisted PAMI with a grant of $333,000 to support agriculture by providing applied research, testing and evaluation services to producers, machinery manufacturers, processors and other businesses. In addition to the operating grant, the department provided project funding from Growing Forward 2 of $399,400 to support the development of linen flax, anaerobic digestion of manure, straw fuel cubes, hemp fibre processing and cattail harvesting. Overall, 88 agriculture research and development projects were conducted at PAMI with a value of $3.9 million. In 2014/15, PAMI reported an aggregate economic impact of $84 million in Manitoba and Saskatchewan. One hundred and ninety jobs were created and maintained through PAMI activities.
- CIGI installed new grain processing equipment to advance its technical support to domestic and international buyers of Canadian grain. Under a five-year (2013/14 – 2017/18) $20 million funding envelope, a total of $2.56 million was expended in 2014/15 on this critical grain processing and analysis equipment. The University of Manitoba also purchased grain sorting and milling equipment to enhance studies in food science and cereal breeding.

Innovation – Bio-economy

Expected Results

- Support will continue to Composites Innovation Centre (CIC) in the development of composite materials made from agricultural fibres and resins.
- A number of rural businesses will be supported under provincial programs that enhance rural Manitoba's capacity to create jobs and drive the rural economy.
- A number of programs and policies will be developed to support the bio-products industry achieving a value of $2 billion by 2020.
- A number of events and activities will be conducted and business follow-ups will be provided that achieve co-ordinated bio-economy development.
- Support to convert current coal users to biomass fuel will be provided through the Manitoba Biomass Energy Support Program (MBESP).

Actual Results

- The CIC began operating under a four year (2014/15 - 2017/18) grant of $1.4 million to implement Phase two of BioNet Manitoba, a multi-partner initiative to develop biomaterials based on Manitoba grown renewable agricultural fibres and resins. Under BioNet Manitoba, CIC has:
  - Conducted a business feasibility evaluation with a French linen manufacturer
  - Produced a feasibility assessment to produce hemp fibre insulation
  - Installed and commissioned fibre quality testing equipment including a comprehensive informatics system at its FibreCITY lab
  - Completed the most comprehensive study of North American natural fibre

composite markets to date

  - Completed an impact assessment of the potential benefits of CIC projects on the provincial bio-economy
- Results of investigations into linen flax production showed the sector holds promise but would need to be established in phases. Results of hemp insulation research revealed several technical and market development steps in order to compete with glass fibre. FibreCITY became operational providing feedback to plant breeders, crop producers and manufacturers to optimize fibre quality, resin binding properties and other characteristics important to the natural fibre supply chain. Composite Innovation Centre's analysis showed its portfolio of seven ag-based projects could provide benefits up to $4.25 million in farm revenue, $90 million in capital investment, $38 million in manufactured product sales, three new businesses and 30 knowledge intensive jobs.
- ARDI awarded a total of $408,200 to three projects that will improve hemp fibre quality, develop tree-free paper and optimize the use of hemp hurds for bioremediation.
- The Manitoba Biomass Energy Support Program funded 13 projects a total of $404,062 to assist current coal users in switching or expanding their use of renewable biomass fuel. This included three biomass suppliers receiving a total of $96,000 enabling them to develop and expand the production and processing of biomass fuel. The program also provided $422,987 to research and development projects aimed at expanding the production and use of biomass energy.
- The International Institute for Sustainable Development continued work under a three-year (2013/14 – 2015/16) grant of $406,000 to develop the Manitoba Bio-economy Atlas. The atlas will assist in assessing the feasibility of bio-economy projects.

2 (b) Agri-innovation and Adaptation

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	1,089	16.00	1,264	(175)	
(2) Other Expenditures	225		330	(105)	
(3) Grant Assistance	3,444		4,115	(671)	1
Total Sub-Appropriation	**4,758**	**16.00**	**5,709**	**(951)**	

1. *The decrease is primarily the result of fewer grant proposals received than planned.*

Appropriation 2 (c) – Boards, Commissions and Legislation

Mandate

The Boards, Commissions and Legislation (BCL) Knowledge Centre provides administrative, technical and regulatory support to boards, councils and commissions responsible for ten Acts of the Legislature. These agencies are responsible for:

- production and marketing of certain commodities;
- mediation services;
- nuisance complaints arising from agricultural operations;
- applications to own farmland by non-residents;
- funding mechanisms to support agricultural research and promotion activities;
- horse racing regulations; and
- crop insurance and animal care appeals.

The BCL Knowledge Centre also co-ordinates all the legislative and regulatory matters administered by the department to ensure that acts, regulations and orders are consistent with the objectives of the Manitoba government and the department's policy direction.

Boards, Commissions, and Agencies

Expected Results

- Conduct fair appeal processes by listening to all parties involved and rendering effective judgments.
- Organizations follow provincial acts and regulations in the reporting of their activities and conduct.
- Supervision of the legislated orderly marketing systems which protect and grow both domestic and export markets.
- Provide mediation services to farm producers as an alternative to legal action by creditors.
- Manitoba farmland that is protected from market speculation by foreign investors.
- Safeguard the agricultural use of viable lower class land for its importance in forage and livestock production.
- Give warranty and repossession protection on farm machinery and equipment purchased or leased in Manitoba.
- Support for the efforts of the Flood 2011: Appeal Commissioner's office in carrying out a fair and transparent appeal process for applicants eligible under the numerous Flood 2011 compensation programs.
- License and monitor farm equipment dealers and vendors.
- Provide conflict resolution processes for farmers and their neighbours concerning farm production practices.
- Spend designated producer commodity organizations producer member check-off money on research and promotion.

Actual Results

- BCL provided oversight to appeal boards and ensured fair processes and decisions were rendered.
- The Appeal Tribunal heard and rendered decisions on 10 appeals on Agricultural Crown Lands and nine appeals regarding insurance and predation programs administered by Manitoba Agricultural Services Corporation (MASC).
- The Animal Care Act Board heard and provided decisions on eight appeals related to the humane treatment of animals.
- The Milk Prices Review Commission heard from the industry and reviewed the fluid milk pricing formula and determined that effective February 2015 producer prices for fluid milk would decrease by $0.47 per hectolitre and wholesale/retail prices would remain the same.
- The Appeal Commissioner's office carried out a fair and transparent appeal process for applicants eligible under the numerous Flood 2011 compensation programs. In 2014/15, the Commission heard 74 appeals under the Lake Manitoba Financial Assistance Program (LMFAP). During this same time period, 14 appeals were withdrawn under the LMFAP. In 2014/15, the Commission heard the remaining 10 Individual Flood Protection Initiative Appeals (IFPI). During this same time period, two appeals under IFPI were withdrawn. The Flood Appeals Commission supported the effort to finalize outstanding appeals, put together a final report and wind down the program.
- The Manitoba Farm Industry Board -
  - Received 59 applications for leave to repossess farm equipment under *The Farm Machinery and Equipment Act*. The board resolved 95 per cent of the applications without repossession taking place.
  - Received 52 applications for exemption under *The Farm Lands Ownership Act*. Forty-one were approved, three were denied, one was withdrawn and seven were pending review at fiscal year end. The review process for these includes inviting the applicant, vendor and respective Municipality to appear before the panel to make any submissions in support or in opposition to the application.
  - Received two types of applications under *The Family Farm Protection Act*: voluntary requests for review and applications from creditors for leave to realize on farmland. A total of 24 applications were received in 2014/15, of which 20 were applications from creditors for leave to realize on farmland and four were voluntary requests for review. This compares to 48 applications received in 2013/14. Farmers used the board's mediation services in 33 per cent of the applications. The board achieved a settlement in 38 per cent of the cases where its mediation services were used.
  - Administers *The Farm Machinery and Equipment Act* fund to pay claims of money owed to purchasers by dealers or vendors under *The Farm Machinery and Equipment Act* to provide annual coverage to dealers and vendors for such claims. When the amount of the fund is less than $400,000, the board shall collect an annual levy from dealers and vendors in the amount set out in the regulations to maintain the fund. The balance of the fund at fiscal year-end December 31, 2015 was $543,570.12 plus accrued interest of $699.36 for a total of $544,269.48 thus no annual levies were collected from dealers and vendors. Interest income earned on the fund was $4,747.62. The fund is deposited with the Minister of Finance and held in trust for the purposes of this Act in a separate account in the consolidated fund. The fund is invested in three separate 90 day trust accounts. There were no claims made to the fund in 2014.

  - Received and investigated six complaints in 2014/15, one of which was a new complaint and five were reports that agricultural operations with orders in place to modify practices were not following the order. The respondent in the new complaint refused to provide any information on its operations to the Board and the complainant will be proceeding to the court for resolution. The Board is continuing review of the other complaints for resolution in the upcoming year; one of which the agricultural operation has asked the Board to modify the existing order.
  - The Board issued two new farm machinery dealer licenses and renewed eight dealer licenses in 2014/15. There were three new farm machinery vendor licenses issued and five vendor licenses renewed. The licenses are for a two-year term. As of March 31, 2015, there are a total of 254 licensed farm machinery dealers and 137 licensed farm machinery and equipment vendors in Manitoba.
- The Manitoba Farm Products Marketing Council -
  - Supervised 11 Designated Commodity Associations, whose membership ranges from 32 to nearly 7,000 members and whose refund rates vary from 0.8% to 4.8%. In 2014/15, the total dollars collected from all designated commodity check-offs was slightly over $6.5 million, resulting in a $1.7 million investment toward 70 research projects. On January 1, 2014, the Manitoba Wheat and Barley Growers received authorization to collect check-off for wheat and barley research and marketing development. They started collecting in February 2014.
  - Monitored the nine boards authorized under *The Farm Products Marketing Act* to ensure producers are adequately consulted on issues related to producer levy, penalties, management of quota, new programming and commodity promotions. Three new registered producers entered egg farming in 2014. Six new quota registrations were drawn randomly in 2014 for the chicken broiler sector. These new quotas will be phased into production, two per year for three years.
  - The Farm Products Marketing Council heard one appeal in 2014/15 related to a request to convert turkey quota.

Legislative Support

Expected Results

- Develop legislative policies, create drafting instructions and facilitate bills or regulations.

Actual Results

- BCL co-ordinated the 2014/15 legislative and regulatory initiatives for the department and administered 30 statutes and 152 regulations and orders.
- The Farm Products Marketing Act authorized three regulations, and they were registered.
- BCL led MAFRD through amendments to:
  - *The Animal Diseases Act* (Bill 71). The proposed Bill establishes authority for MAFRD to act in a proactive manner to deal with activities, practices or behaviours that may create risk to the health and safety of animals and the public, or that may promote the outbreak or spread of disease. Bill 71 went through first reading on May 13, 2014; second reading on June 9, 2014; and committee/reporting on November 21, 2014. *Amendments to The Veterinary*

    Medical Act (Bill 27). Bill 27 were drafted and prepared for introduction to the legislature. The proposed Bill establishes the need for fees for veterinary services to be transparent and allows for the incorporation of veterinary practices.
    - *The Noxious Weeds Act* (now Bill 32) was drafted and prepared for introduction to the legislature. The bill establishes the authority of MAFRD to categorize weeds into three tiers in relation to their risk to agricultural operations.
    - Minor amendments to *The Agricultural Societies Act, The Cattle Producers Association Act, The Farm Lands Ownership Act, The Farm Practices Protection Act, The Horse Racing Commission Act, The Veterinary Services Act, and The Women's Institutes Act* were included in *The Statutes Correction and Minor Amendments Act*.
- MAFRD developed *The Farm and Food Awareness Act* (Bill 4) to establish a Manitoba Farm and Food Awareness Week and an Agriculture Awareness Day. The Bill passed first reading December 4, 2014.
- MAFRD worked on the development of food safety regulations to support the pending proclamation of *The Food Safety Act*.
- Manitoba Oat Growers Association amended their regulations to remove the $250 cap on producer check-offs on oat sales in the Province of Manitoba.
- Amendments to the Offence Notice Regulation under *The Summary Convictions Act* are complete. The purpose is to establish and amend set fines for offences under *The Animal Care Act* and the Animal Care Regulation.

2 (c) Boards, Commissions and Legislation

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	518	7.00	630	(112)	
(2) Other Expenditures	268		246	22	
Total Sub-Appropriation	**786**	**7.00**	**876**	**(90)**	

Appropriation 2 (d) – Agricultural Sustainability Initiative

Mandate

The Agricultural Sustainability Initiative (ASI), a provincially funded program, provides funding solely to the four diversification centres to conduct demonstrations or technology transfer projects on sustainable agriculture practices with a focus on crop diversification. ASI also supports activities which are built on partnerships, particularly among producers, government and industry.

ASI also provides additional funding under the new Special Projects Fund for the diversification centres to conduct projects which fall outside their regular activities, while still following guidelines set out in the Diversification Centre Terms and Conditions.

ASI is part of the province's 40 per cent matching requirement under the GF2 agreement, and provides half the government funding received by the four diversification centres to conduct field trials and extension events.

Crop Diversification and Crop Agronomic Practice Testing

Expected Results

- Annual reports from the four centres report results from approximately 30 different field trials and demonstrations.
- Producers grow new crops/varieties and adopt new and improved agronomic practices.
- Articles and news columns highlight results of applied research.
- Hold technology transfer events and document the number of attendees.

Actual Results

- Annual reports from Diversification Centres provided results on over 100 field experiments across agro-Manitoba on cereals, pulses, hemp, forages, oilseeds, special crops, vegetables, fruit and potatoes.
- Producers chose crop and crop variety choices based on the information generated from the experiments.
- Field experiment results appeared in *The Western Producer*, *Manitoba Co-operator*, local newspapers (eight articles) and on social media.
- Approximately 500 people attended the extension events held by the Centres. The diversification specialists presented at over 10 local and provincial events including Ag Days (60,000 attendees).

Climate Change Resilience/Adaptation

Expected Results

- Report results of variety adaptation field trials (~15) from all four centres.
- More producers grow new crops/varieties.

Actual Results

- Fifteen variety adaptation trials were conducted at each centre on cereals, pulses, hemp, forages, special crops and fruit. The produce and grains were evaluated for various parameters (i.e. yield, protein, disease resistance, food quality characteristics, milling potential). Results were reported at in-person extension events, and through the annual reports and print and social media columns.

- Producer's choices of crop type and crop variety were supported by the information generated from the experiments.

2 (d) Agricultural Sustainability Initiative

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grant Assistance	336		400	(64)	
Total Sub-Appropriation	**336**	**-**	**400**	**(64)**	

Appropriation 2 (e) – Manitoba Biomass Energy Support Program

Mandate

The Manitoba Biomass Energy Support Program (MBESP) provides support to current coal users seeking to switch to renewable biomass fuel and to biomass processors looking to increase the amount of processed biomass available to the market.

Expected Results
• Support current coal users looking to switch from coal to biomass fuel. • Provide capital support for biomass processors seeking to increase the amount of processed biomass fuel available to producers.
Actual Results
• Thirteen projects provided $404,062 to assist current coal users in switching or expanding their use of renewable biomass fuel. • Three biomass suppliers received a total of $96,000 to develop and expand the production and processing of biomass fuel. • MBESP provided $422,987 to research and development projects aimed at expanding the production and use of biomass throughout the sector.

2 (e) Manitoba Biomass Energy Support

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grant Assistance	877		1,000	(123)	
Total Sub-Appropriation	**877**	**-**	**1,000**	**(123)**	

Appropriation 3
Risk Management, Credit and Income Support Programs

Manitoba Agricultural Services Corporation: provides a variety of programs, including direct loans and loan guarantees, agricultural insurance, wildlife damage compensation and emergency assistance to which contribute to the financial stability of Manitoba's agricultural producers and rural economy.

Agricultural Income Stabilization: provides assistance under stabilization programs, which are intended to help farmers manage their operations when they incur a decline in income.

Farmland School Tax Rebate: provides rebates of school taxes charged on farmland.

Appropriation 3 (a) – Manitoba Agricultural Services Corporation

Mandate

Enhance financial stability in rural Manitoba by providing risk management solutions, lending options and other programs and services to address emerging needs.

Risk Management Programs for Producers

Expected Results

- Insure $2.32 billion of AgriInsurance liability, covering 9.6 million acres and 8,700 farm operations.
- Provide $840 million of hail insurance liability, covering 4.6 million acres and 4,500 farm operations.
- Pay $2.9 million in wildlife damage compensation.
- Provide AgriInsurance premium rebates of $15,000 under the Young Farmer Crop Plan Credit Program.

Actual Results

- AgriInsurance liability totaled $2.2 billion covering 9.9 million acres, with 8,900 insured farming operations.
- Hail Insurance liability totaled $810 million on 4.3 acres and 4,100 insured farming operations.
- Wildlife Damage Compensation paid out compensation of $3.7 million.

Affordable Credit for Primary Agriculture

Expected Results

- Administer a total direct loan and loan guarantee portfolio that facilitates $700 million of credit to 3,000 Manitoba farm operations and rural businesses.
- Provide $118.5 million in new loans through MASC's direct loan programs.
- Facilitate $79.3 million in private sector loans to agricultural enterprises by providing $19.8 million in loan guarantees.
- Provide interest reductions of $1.9 million to young farmers.

Actual Results

- MASC's portfolio of direct loans and loans facilitated by MASC's guarantees totaled $770 million, covering 2,900 Manitoba farmers and rural businesses.

- MASC provided $155.1 million in new direct loans.
- $71.4 million in new private sector agricultural lending was facilitated by MASC loan guarantees totaling $17.9 million.
- $2 million of interest benefits were provided to young farmers.

Affordable Credit for Rural Businesses

Expected Results

- Facilitate $3.5 million in term loans and $1.3 million in operating loans for rural business development, by providing loan guarantees totaling $3.1 million.

Actual Results

- Through the Rural Entrepreneur Assistance program, MASC facilitated $3.8 million in new private sector term loans by providing $3 million in loan guarantees. MASC facilitated a further $400,000 in private sector operating credit by providing $100,000 in loan guarantees through the Operating Credit Guarantee for Rural Small Business program.

3 (a) Manitoba Agricultural Services Corporation

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Administration and Lending Costs	4,348	-	9,917	(5,569)	1
(2) AgriInsurance	55,412	-	57,532	(2,120)	2
(3) Wildlife Damage Compensation	1,915	-	1,558	357	
Total Sub-Appropriation	**61,675**	-	**69,007**	**(7,332)**	

1. *The variance is mainly due to an improvement in net interest income as a result of the increased size of the loan portfolio,lower provision requirements for loans and loan guarantees due to improvement in the livestock sector and lower administration costs as a result of below average estimated AgriInsurance claim activity.*
2. *The decrease is primarily due to fewer insured acres as a result of excess moisture conditions, partially offset by a change in the crop mix to crops with higher premium ratessuch as soybeans.*

Appropriation 3 (b) – Agricultural Income Stabilization

Mandate

The purposes of Business Risk Management (BRM) programs are to:

- Develop the appropriate government response to address situations affecting the profitability and sustainability of farms, by working with federal and provincial partners in the development of effective Business Risk Management programs.
- Provide producers with the tools required to manage financial difficulty arising from risks related to market disruption, natural disasters and production problems.

Program, Activities and Expected Results

Business Risk Management

Expected Results

- Farms will improve income stability and be able to manage financial disasters. Through market returns and BRM programs, producers will attain at least 50 per cent of the previous five-year net market income including program payments.
- Producers will recognize BRM programs as effective risk management tools for their farms. Most farms in Manitoba, representing at least 70 per cent of all farm market revenues, will participate in AgriStability and AgriInvest.
- Viable insurance products and policies for the livestock sector in Manitoba will be developed and implemented, including price insurance for cattle and hog producers and enhanced forage insurance options.
- AgriInvest will recognize and encourage participation in areas of strategic importance to the industry by linking program eligibility to priority areas where appropriate.

Actual Results

- Total net market income in 2014/15 was above the five year average, due to good crop production in 2014 and very strong livestock prices. Slightly higher program payments contributed to a record high in farm cash receipts, however a large decrease in the value of inventory change will counter the increase in receipts.
- The number of participants declined in both AgriStability and AgriInvest in all provinces. In Manitoba, AgriStability enrolment decreased 10.6 per cent.
- Manitoba partnered with British Columbia, Alberta and Saskatchewan to launch the Western Livestock Price Insurance Program in March 2014.

Program Year	***Farm Cash Receipts ($millions)***	***Total Net Income (TNI) ($millions)***	***BRM Payments ($millions)***	***BRM Payments as % of TNI ****
2009	4,853.4	501.2	386.3	77%
2010	4,780.5	-84.9	349.3	n/a
2011	4,970.8	-26.6	500.6	n/a
2012	5,146.4	925.7	494.6	53%
2013	5,771.9	1,333.4	370.9	28%
2014	5,927.3	123.5	230.5	187%

* Includes AgriStability, AgriInvest, AgriInsurance indemnities, AgriRecovery and preceding programs (based on the received)
** Consists of AgriInvest ($34.4 million) and AgriStability ($49.6 million), AgriInsurance indemnities ($121.5 million)
Source: Statistics Canada

Program Year	AgriStability Participants (Fees Paid)	AgriInvest Participants (Eligible Applications)
2010	9,632	11,937
2011	9,177	11,504
2012	8,588	11,281
2013	8,187	10,875
2014	7,321	n/a

3 (b) Agricultural Income Stabilization

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	54,946	-	33,271	21,675	1
Total Sub-Appropriation	**54,946**	**-**	**33,271**	**21,675**	

1. *The variance is mainly due to higher than anticipated costs associated with the 2014 AgriStability program partially offset by prior years' adjustments based on federal forecasts and actual AgriStability and AgriInvest program activity.*

Appropriation 3 (c) – Farmland School Tax Rebate

Mandate

Generate greater net farm income and foster increased equity among rural land owners in support of educational costs.

Expected Results
• Increase net farm income by the amount of the rebates, with additional spin-off benefits to rural communities. • Facilitate a more equitable distribution of local education costs.
Actual Results
• Estimated total of 2014 Farmland School Tax Rebates to be $33.5 million. • Rebated 80 per cent of school taxes on farmland representing a significant move towards a more equitable distribution of school taxes paid by property owners.

3 (c) Farmland School Tax Rebate

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	33,982	-	36,039	(2,057)	1
Total Sub-Appropriation	**33,982**	-	**36,039**	**(2,057)**	

1. *The variance is mainly due to a lower number of applicants than anticipated which was partially offset by an increase in farmland school tax levies.*

Appropriation 3 (d) – Less: Recoverable from Rural Economic Development Initiatives (REDI)

Mandate

This sub-appropriation provides for the recovery of expenditures from the Manitoba Agricultural Services Corporation for the Rural Entrepreneur Assistance Program and the Community Works Loan Program.

Expected Results:
• Costs related to the delivery of the Rural Entrepreneur Assistance and Community Works Loan programs will be recovered from Rural Economic Development Initiatives (REDI).
Actual Results:
• All costs incurred in 2014/15 related to the Rural Entrepreneur Assistance and Community Works Loan programs were recovered from REDI.

3 (d) Less: Recoverable from Rural Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Recoveries	(67)	-	(725)	658	1
Total Sub-Appropriation	**(67)**	-	**(725)**	**658**	

1. *The under-recovery is primarily the result of reductions in loan provision requirements under the Rural Entrepreneur Assistance program.*

Appropriation 4
Agri-Industry Development and Advancement

The Agri-Industry Development and Advancement division provides technical support, leadership, specialized services and information to enhance the development of Manitoba's agri-food industry and rural economy. It develops leading edge, science-based programming in specialized areas of crop and livestock production, animal health, animal welfare, food safety and environmental sustainability. The department also provides advice that assures food safety and controls and prevents crop and livestock diseases.

Appropriation 4 (a) – Livestock Industry

Mandate

The Livestock Knowledge Centre's (LKC) mandate is to:

- Advance Manitoba's livestock industry by utilizing leadership capacity and technical expertise to develop and deliver innovative extension and business development programs.
- Enhance animal health in Manitoba by providing accurate, timely and affordable veterinary diagnostic services through the Provincial Veterinary Diagnostic Laboratory and support veterinary rural practice through administration of the Rural Veterinary District Program, Large Animal Veterinary Retention Program, Veterinary Science Scholarship Fund and Veterinary Summer Student Program.

Veterinary Diagnostic Laboratory

Expected Results
• Reduce and prevent negative impacts of animal health events. Provide new tests and techniques to manage emerging animal health issues. • Increase capability to prevent, mitigate, prepare and respond to animal health and food safety emergencies in a timely manner. • Make effective prosecutions based on specialized forensic pathology services and expert testimony as required to support *The Animal Care Act*. • Establish capability to provide preliminary (screening) testing during reportable disease outbreaks to support testing performed by CFIA. • Enhance information sharing networks used for federal and provincial emergency planning and management purposes that meets Manitoba's needs. • Create a formalized plan to provide more effective and co-ordinated animal health diagnostic services in western Canada. • Test for diseases such as salmonella, influenza and E. coli to support livestock production and fulfill export requirements. • Identify and implement improvements to support evolving client needs and the provincial livestock industry. • Implement improvements that enhance client services, save money, resources or time, improve the quality of working conditions and promote safety and employee morale.

Actual Results

- Veterinary Diagnostic Services (VDS) conducted 151,384 tests (annual record) of which 136,368 were designated for food animals.
- VDS developed and implemented the following diagnostic tests based on client needs:
  - *Leptospira* spp.
  - *Anaplasma marginale*
- Staff assisted Chief Veterinary Office (CVO) staff in the investigation and surveillance testing associated with Porcine Epidemic Diarrhea virus (PEDv). This resulted in 16,259 tests being conducted increasing workload volume by 13 per cent.
- VDS did 59 animal welfare investigations for the CVO and veterinary pathologists served as prosecution witnesses as required.
- VDS implemented rabies, anaplasmosis, anthrax and chronic wasting disease sample collection, specimen shipping and distribution of test results to relevant officials following the withdraw of Canadian Food Inspection Agency (CFIA) services. VDS staff performed 27 rabies sample collections.
- VDS participated with other western provincial animal laboratories in co-ordinating the final phase of a four stage project examining the creation of a regional animal health system for western Canada. The final project report is expected to be completed December 2015.
- VDS maintained representation on the Canadian Swine Health Information Network and provided quarterly updates on swine diagnostic testing in addition to executive membership on the Canadian Animal Health Surveillance Network (CAHSN) which was established to expand the national diagnostic capabilities for early detection of animal disease threats to the food supply, food safety or public.
- VDS staff performed tests specifically to support food safety such as 3,894 salmonella screening tests. VDS staff also continued to provide technical expertise and testing capabilities to support the provincial meat inspection program.
- Created four new standard operating procedures to ensure quality and consistency of laboratory services and revised 22 standard operating procedures.
- Staff delivered five general and technical veterinary diagnostic presentations to approximately 140 University of Manitoba and Red River College students. Presentations were also delivered at the joint Manitoba Veterinary Medical Association (MVMA)/Manitoba Animal Health Technologists Association (MAHTA) and Canadian Association of Veterinary Pathologist (CAVP) conferences. Training sessions were also held for VDS clients including Maple Leaf Agri-Farms and the Manitoba Elk Growers Association.
- Developed the VDS Laboratory Manual and posted it on the Veterinary Diagnostic Services web page to provide information on laboratory policies and services for clients.
- Distributed the annual VDS Client Survey with a 33% return rate versus 30% in 2014. All recommendations from the survey are to be assessed and implemented when a net benefit has been established.
- VDS published four issues of the Manitoba Animal Health Bulletin to provide information on veterinary diagnostic topics to laboratory clients and stakeholders.
- Employee Bright Idea Program resulted in 59 improvement ideas being implemented that enhanced client services, eliminated inefficiencies, improved working conditions, promoted safety or increased employee engagement. VDS implemented a continuous improvement board for at-a-glance views of key performance indicators.

Meeting Expectations of Society and Market Place for Animal Care, Food Safety, and Environment

Expected Results

- Respond to animal care and odour complaints and work with producers so that they can meet standards under *The Animal Care Act* and *The Farm Protection Act*.
- Increase knowledge and adoption by producers of sustainable manure management and livestock production options.
- Identify, assess and permit animal care practices, such as loose sow housing, to the benefit of producers, their animals and the marketplace to improve market access.
- Provide on-farm milk quality services to meet food safety and quality standards for antibiotic use and bacteria counts in co-operation with Dairy Farmers of Manitoba.
- Represent MAFRD and Manitoba on departmental, provincial and national working groups and committees in developing animal care and farm practice standards, policies and guidelines.
- Evaluate production practices and their impact on the environment under Manitoba conditions.
- Provide technical expertise to develop manure management standards specific to different types of livestock and production systems.
- Assess issues, challenges and opportunities related to antibiotic use in livestock production.

Actual Results

- Staff assisted 10 livestock producers at risk for animal welfare to address management and nutritional issues. One investigation was conducted under *The Farm Practices Protection Act*.
- Staff worked with the Manitoba Pork Council (MPC) and Maple Leaf Foods Inc. on a pilot study on loose sow housing. The study received $795,000 in GF2 funding.
- The GF2 catalogue for livestock producers was expanded to include equipment and assessments that will aid producers in meeting the recommendations outlined in the newly revised Codes of Practice for Swine and Poultry.
- Staff made 44 farm calls to Manitoba dairy producers to troubleshoot milk quality, taste and antibiotic issues. Staff also updated milk quality troubleshooting factsheets distributed through DFM. The milk quality calls and publications support the DFM decision that all producers should meet the European Union standard for somatic cell counts, improving milk shelf-life and increasing market access.
- Staff participated on the federal/provincial No Stun Slaughter Working Group and the provincial Farm Building Code Committee.
- MAFRD sits on the board of directors for the Manitoba Livestock Manure Management Initiative (MLMMI) and works with MLMMI on some projects and initiatives.
- A MAFRD engineer worked to advance a number of initiatives:
  - Worked with Manitoba Egg Producers (MEP) to develop design criteria to lower costs for solid manure storages.
  - Presented the manure application component of the Manure Management Planner Course at Assiniboine Community College. Completion of the course is a requirement for manure management planners under the province's Livestock Manure and Mortalities Regulation.
  - Worked with the provinces of Alberta and Saskatchewan to review tri-provincial manure production rates and nutrient levels for all livestock species.
- Staff provided technical expertise to update the land base used for technical reviews of

new and expanded livestock operations. Expertise was also provided to a university researcher developing a life cycle analysis of greenhouse gas production in the beef sector.

- MAFRD produced detailed mapping of the potential location of livestock regulations based on current provincial regulations. Provincial soil phosphorus levels, manure storage locations and water shed management evaluation criteria mapping was conducted.
- Staff updated the Manitoba Veterinary Medical Association on new policies being considered by the federal government on antimicrobial resistance and usage. Presentations on antimicrobial resistance were made to the Manitoba Bison Association.
- Staff worked with a Manitoba company to receive funding for research at the Richardson Centre for Nutriceutical and Functional Foods on methods of extracting a natural plant product with potential to replace antibiotics in livestock feed.

Livestock Health

Expected Results

- Administer grants for 27 Veterinary Services District clinics. Administer veterinary student scholarships and Student Temporary Employment Program (STEP) placement programs.
- Administer licensing and bonding to livestock dealers and investigate complaints of dealer default. Develop enhanced inspection capacity to identify and investigate potential default by livestock dealers.
- Maintain a brand registry and work with industry to enhance the use of manifests, traceability and premise identification to support the movement of livestock across provincial and international borders.
- For the Food Safety On-Farm component of Growing Forward 2, consult industry on program design and outcomes and administrative and client service protocols. Developed project applications will be assessed.
- Reduce the risk of spreading bovine tuberculosis (bTB) from wild elk and deer to domestic livestock by funding the construction of barrier fences around livestock feeding areas in the Riding Mountain Eradication Area (RMEA). Conduct pilot projects for novel initiatives such as 3D fencing and a guard dog program.

Actual Results

- The LKC administered the Veterinary Services District operating grant of $479,000. The grant is distributed among 27 Veterinary Service Districts.
- The Large Animal Veterinary Retention Program provided three scholarships totaling $20,000 in 2014/15 to Manitoba students in their third or fourth year at the Western College of Veterinary Medicine. The recipients have agreed to work for one year in a rural Manitoba veterinary clinic.
- Ten Veterinary Sciences Scholarships, each worth $1,125, were awarded in 2014/15.
- In 2014, the Veterinary Student Employment Program provided 12 students with a hands-on experience in a rural setting during the summer months.
- MAFRD administered the livestock dealer/agent licensing program with approximately 77 licensed dealers and 84 licensed agents. There were no dealer defaults in 2014 and no complaints requiring investigation. One dealer application was declined based on a background check.
- The LKC maintained a Brand Registry for cattle and horses under provision of *The Livestock and Livestock Products Act*. There are 2,230 active registered brands.

- The LKC printed and distributed livestock manifests. The manifests act as a commercial document and include premises ID, supporting ongoing trade and cattle movement.
- The LKC developed and delivered food safety, biosecurity, animal welfare, animal health, traceability and workplace safety programming for livestock producers under Growing Forward 2. Over 260 applications valued at more than $1.4 million assisted producers in implementing best management practices and meeting the national standards for food safety, biosecurity and animal care.
- Staff continued their involvement in bovine tuberculosis (bTB) risk management in conjunction with the RMEA. Specific activities included:
    - Evaluating the use of 3D fencing as an economic alternative to traditional barrier fences. Infrared, research grade trail cameras were installed at the existing and new test sites to monitor effectiveness of the fences in preventing access by wildlife to livestock feed supplies.
    - Contacting producers in the high risk, core area of the RMEA to assess the need and interest in barrier fences and/or livestock guardian dogs in preventing wildlife interactions with livestock.
    - Offering nutritional and management advice to livestock producers in RMEA.
    - Working with Manitoba Beef Producers (MBP) to deliver a five-year, $150,000 project to support an industry led solution for the management and control of bTB in the RMEA. MBP will administer payments of seven dollars per head (six from MAFRD and one from MBP) to cattle producers in the RMEA to support their participation in live animal testing and passive surveillance at slaughter for bTB.

Industry Capacity to Innovate, Derive Value from Commodities and Address Strategic Needs

Expected Results

- Develop Growing Forward 2 (GF2) projects to support the introduction of new certification programs, testing protocols and production practices by industry associations.
- Develop platforms and initiatives that enable research and demonstrate sustainable, profitable production of livestock in Manitoba.
- Identify and develop initiatives to address issues facing emerging livestock sectors and producer/processing associations with limited resource capacity.
- Support the development of supply chain, marketing and investment opportunities that benefit producers, communities and processors.
- Provide technical support to develop and co-ordinate the government's and industry's response to emerging animal health, weather and trade challenges.
- Environmental testing for Porcine Epidemic Diarrhea virus (PEDv) will enable surveillance for the virus and allow producers and shippers to assess their biosecurity and sanitation protocols. Risk factors for the virus will be identified and biosecurity to control it will be promoted. GF2 programming which assists with implementation of biosecurity will be provided.
- Represent MAFRD and Manitoba on departmental, provincial and national emergency response and recovery working groups.

Actual Results

- Developed a pilot project with Manitoba Pork Council (MPC) to test delivery and administration of GF2 programs by a commodity association. Under the project, MPC acted as the point of contact for swine producers and assisted MAFRD in processing over 160 swine applications in 2014/15. The project reinforced MPCs leadership in delivering Canadian Quality Assurance, the swine industry's national food safety accreditation program.

- Developed a service agreement to provide up to $80,000 annually for the next four years to Manitoba Beef Producers for delivery of the Verified Beef Production program.
- With the assistance of GF2 funding of $525,000 over three years, Dairy Farmers of Manitoba (DFM) continued piloting animal care and dairy premises assessments under its on-farm certification program, proAction. In 2014/15, private veterinarians conducted initial animal care assessments on over 80% of Manitoba's dairy farms, with DFM staff conducting approximately one-third of the farm assessments.
- MAFRD participated in the strategic advisory committee for the Western Beef Development Centre in Saskatchewan.
- On February 2, 2015, over $3.1 million in GF2 funding was announced to support a common platform focusing on beef/forage research and extension and develop dedicated facilities near Brandon, Manitoba. A field research laboratory will focus on applied beef and grazing research and a demonstration farm will highlight improved and sustainable beef and forage production practices. The facilities will be managed by MBP and used in collaboration with researchers in Manitoba and across the Prairies.
- MAFRD staff worked with First Nations clients to investigate aquaculture opportunities. One First Nation was assisted in obtaining funding for developing an aquaculture business plan, touring successful aquaculture operations on First Nations in Ontario and receiving training on fish farming production. Another First Nation was assisted in developing a plan for marketing eco-certified fish.
- MAFRD participated in the national sheep, swine and beef value-chain round tables with the objective of enhancing Canadian competitiveness and profitability.
- Staff provided mapping and technical support for MAFRD's agricultural weather program, database of weather norms and watershed management plans. They also participated in MAFRD's Extremes of Moisture Response Horizontal Team to assess potential drought, flooding and excess moisture events.
- Conducted biosecurity training workshops and presentations for sheep and goat producers at six locations across the province. A biosecurity presentation was given to petroleum workers in southwestern Manitoba.
- MAFRD developed a pilot project in co-operation with MPC to monitor high traffic sites such as slaughter plants, assembly yards and truck washes for Porcine Epidemic Diarrhea virus (PEDv). GF2 provided $37,500 in funding for the project. Over 4,400 samples were tested at MAFRD's Veterinary Diagnostic Laboratory and the project highlighted the movement of disease and animals at high traffic areas, validated cleaning and disinfection protocols and limited the spread of PEDv. Based on the success of the pilot project, longer term surveillance for PEDv at high and low traffic areas has been approved for funding by GF2.
- Over $800,000 of GF2 funding was invested in state of the art washing and drying technology at truck wash facilities in order to reduce the spread of livestock diseases. A company has been responsible for washing livestock trailers for more than 430 farm sites every week and has seen a 40 per cent increase in demand for services. GF2 funding for individual swine producers for biosecurity projects was doubled from $5,000 to $10,000 per applicant. The $860,000 value of swine biosecurity projects approved in 2014/15 was more than triple the $250,000 approved a year earlier.
- MAFRD's extension veterinarian developed a biosecurity audit for abattoirs and performed biosecurity assessments at six Manitoba abattoirs.
- Livestock specialists represented MAFRD on the National Livestock Market Interruption

Strategy Steering Committee. The committee's mandate is to find methods of increasing market recovery after a border closure or disease event. MAFRD staff developed a template for mass disposal plans and a framework of how to manage movement of healthy animals to market during a livestock emergency.

Livestock Productivity, Risk Management and Farm Viability

Expected Results

- Provide technical expertise, cost of production budgets, bench marketing and other tools to assist people in evaluating opportunities to develop and establish specialty livestock production areas.
- Initiate promotion, evaluation and training on new techniques for animal production and management of livestock enterprises.

Actual Results

- Updated costs of production for dairy, beef and five types of swine production.
- Collaborated with Inter-Provincial Partnership for Sustainable Freshwater Aquaculture Development to analyse the economic data for the Manitoba-Canada Model Aqua-Farm Initiative.
- Developed a land use tool to assist potential producers and investors in assessing the location of new land based fish farming operations.
- The MAFRD website provided up to date industry information on production, global marketing, farm practices guidelines, cost of production budgets and industry profiles.
- Worked with DFM to evaluate and provide business planning services to three applicants for the New Entrant Dairy Program. One applicant was successful and will have free use of quota for eight years.

Additional Results

- MAFRD participated in the Livestock Predation Protection Working Group which investigates methods of mitigating the losses to the livestock sector due to wildlife depredation.

4 (a) Livestock Industry

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	4,286	57.50	4,877	(591)	
(2) Other Expenditures	1,742		1,751	(9)	
(3) Grant Assistance	491		495	(4)	
Total Sub-Appropriation	**6,519**	**57.50**	**7,123**	**(604)**	

Appropriation 4 (b) – Chief Veterinary Office/Food Safety

Mandate

The Chief Veterinary Office (CVO) / Food Safety Knowledge Centre's mandate is as follows:

- To protect the health of the public from diseases that can pass directly or indirectly from animals to people (Zoonotics). The purpose of this goal is to be able to detect, evaluate and respond to animal diseases that can directly threaten human health. This would include diseases such as avian influenza (AI), H1N1 influenza, tularemia, enterotoxogenic E. coli and salmonella.
- To protect the safety of the food supply, to safeguard the health of Manitobans and to justify confidence in Manitoba's food system at home and abroad. Programming in food safety will provide regulatory oversight and extension support to stakeholders.
- To protect the health and welfare of animals for economic and intrinsic benefit. This goal will focus on protecting the economic interests of producers, protecting the supply of animal-based food, and protecting the welfare of animals.
- To protect trade in agricultural products through health certification and assurance programs. This will promote agricultural trade and the economic viability of Manitoba producers.
- To develop critical information management – information technology tools and systems that provide the foundation for accomplishing goals 1 to 4.

Veterinary Public Health

Expected Results
• Improve efficiency and quality of human and animal health programming that involves multiple departments. Respect agricultural impacts such as zoonotic infectious disease, toxic hazards, and anti-hoarding efforts of programming. • Improve joint surveillance efforts leading to more sensitive methods of detection of threats and develop an effective response to these threats. • Form a functional collaborative rabies program in order to ensure the societal risk to rabies is not increased.
Actual Results
• Cross-departmental relationships and communication on issues of shared responsibility was enhanced which results in improved joint responses to incidents (i.e. boil water advisories, aquifers contaminated with toxins, zoonotic disease programs such as Rabies, Anthrax and Anaplasmosis). • The One Health Steering Committee set up inter-departmental working groups to improve cross-departmental efforts on a variety of important issues pertaining to human and animal health and welfare. • Staff worked with provincial and federal counterparts on joint surveillance efforts for zoonotic diseases such as the provincial Salmonella Enteritidis Surveillance project and the National Zoonotic and Emerging Disease Surveillance Network project. Efforts to develop recommendations for national surveillance of agricultural antimicrobial use and resistance are ongoing. • The Manitoba Rabies Program functioned for a complete fiscal year and fulfilled all requirements efficiently below budget. • Through effective risk assessment practices, the number of rabies samples submitted to the Canadian Food Inspection Agency laboratory in Lethbridge was reduced from

400 to 129 samples for the fiscal year. Fourteen of these samples tested positive for rabies requiring disease control efforts to prevent further disease transmission to domestic animals and humans.

Animal Welfare

Expected Results

- Increased inspections and corrective action undertaken by Animal Protection Officers (APOs) including animal surrenders, seizures and prosecutions.
- Monitoring and implementation of corrective action for non-compliance under *The Animal Care Act* identified at companion animal breeding premises, kennels, companion animal retail stores, commercial animal assembly stations and commercial animal markets resulting in avoidance of animal injury and suffering.

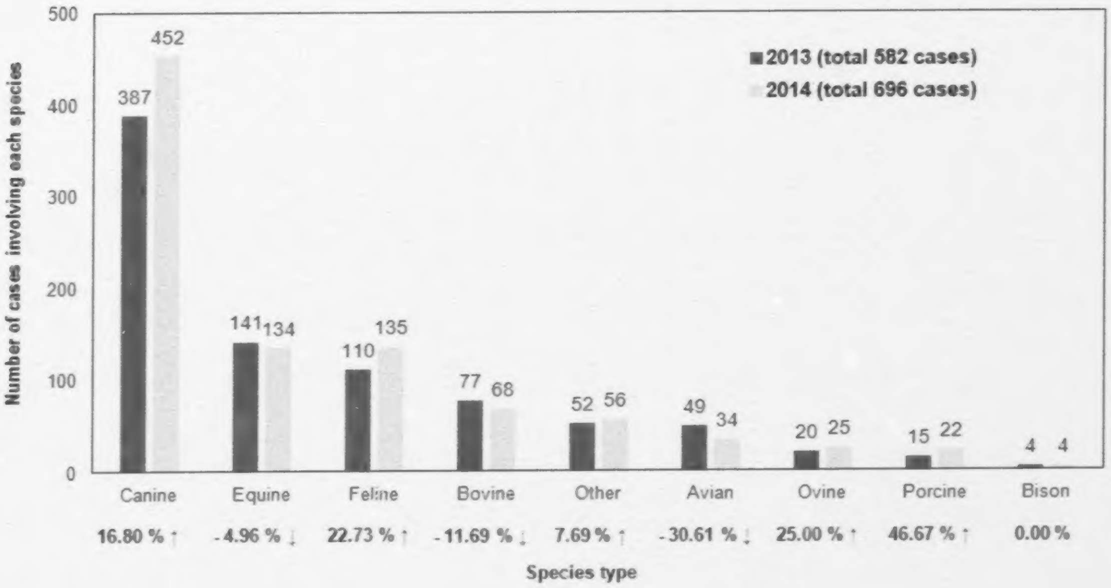
Actual Results

- See below

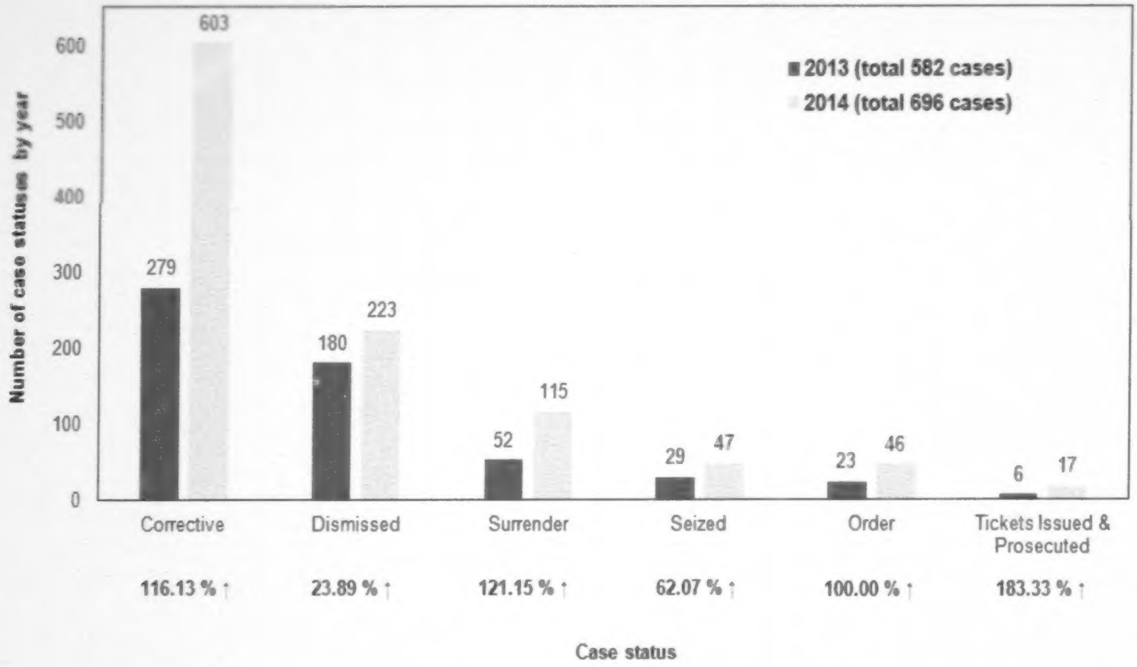
Additional Results

- A new GF2 program in 2014/15 focused on animal welfare in provincial abattoirs. The program committed $150,000 to applicants to improve equipment or practices that have a direct impact on animal welfare. In addition to financial assistance, MAFRD brought in three animal welfare experts to provide training to the industry and staff. Two abattoir owners and three government staff were supported to attend certified animal welfare audit training.

Number of cases with each species inspected: *The Animal Care Act*



Results of inspection for compliance under *The Animal Care Act*



The Animal Care Act allows for prosecution by Common Offence Notice (Ticket) or by long form Information and Summons to Court. Undertakings which were resolved in the calendar year 2014 are tabulated below. The Case number identifies the year that the violation was identified.

Prosecution Outcome

Case Number	Species at Risk	Outcome	Resolution
2010-07-175	Dogs	Guilty	4 months incarceration $21,500 fines 5yr Animal Prohibition except 2 cats
2012-01-140	Dogs	Guilty	$1000.00 Fine, Lifetime AP
2012-01-048	Cattle, Dog	Guilty	$25,500 Fine, $6,375.00 Surcharge Lifetime AP
2012-05-166	Ferret, Poultry	Guilty	$11,500 fine, $2,875 Surcharge, 10 yr AP*
2012-08-282	Pigs	Stayed	Nil
2012-11-373	Horses	Guilty	$200.00 Fine

2013-01-029	Dogs	Guilty	$673.65 Fine
2013-03-127	Beef Cattle	Guilty	$6,000.00 Fine, 12 Months Probation
2013-03-146	Equine (x2)	Guilty	$673.65 fine x 2
2013-04-172	Horses	Guilty	$25,500.00 fine, AP except cats and dogs
2013-04-161	Horses	Guilty	$4,250.00, AP 4 yr
2013-05-207	Dog	Default	$349.00
2013-08-380	Dog	Guilty	$299.65
2014-01-008	Dog	Guilty	$500.00 fine, Forfeiture all dogs, 1 yr AP
2014-02-091	Horse	Guilty	$673.55
2014-03-133	Dog	Default	$349.00
2014-06-320	Horse	Guilty	$299.65
2014-07-365	Canine	Guilty	$299.65
2014-08-428	Horse	Guilty	$299.65
2014-08-458	Cattle	Guilty	$299.65
2014-09-482	Horse	Guilty	$898.65
2014-09-540	Cat	Guilty	$500.00 fine, +2 yr animal prohibition
2014-11-610	Dog	Guilty	$299.65
2014-12-658	Horse	Guilty	$299.65

*AP is Animal Prohibition may be conditional or total. Default is a case where the accused does not appear to contest the Common Offence Notice.

Papers Published in Proceedings

Whiting, TL. "Loving and killing animals in (modern and post-modern) veterinary medicine." *New Zealand Veterinary Association Annual Conference.* Hamilton, New Zealand, June 16-20 2014.

Whiting, TL. "Psychology of animal starvation." *Proceedings of the Society of Dairy Cattle Veterinarians of the NZVA Annual Conference.* Hamilton, New Zealand, June 16-20 2014.

Whiting, TL. "The problem of policing farm animal welfare: punishing human behavior not animal rescue." *Proceedings of the Society of Dairy Cattle Veterinarians of the NZVA Annual Conference.* Hamilton, New Zealand, June 16-20, 2014.

Traceability/Emergency Response

Expected Results

- Increase participation in the Manitoba Premises Identification Program.
- Increase participation in traceability systems to minimize the impact of an animal health or food safety incident and maintain or increase market access.
- Continue to improve early warning and emergency response systems.

Actual Results

- Identified 381 more premises in 2014/2015 than in 2013/2014 for a total of 5,612 premises. Identified commercial premises for pigs, chickens, table eggs, turkeys, dairy and elk.
- Used Premises Identification (PID) information in all disease investigations and animal emergencies in 2014/2015. Since implementation in 2010, PID information has been utilized in over 70 incidents.
- Participated in the Federal/Provincial/Territorial Traceability Task Team and the Industry Government Advisory Committee on Traceability in an effort to shape policy and increase participation in traceability systems.

Food Safety Inspection

Expected Results

- Deliver meat inspection services to ensure business continuity, the safety of meat products and the welfare of animals.
- Deliver the risk-based inspection system for provincially permitted food processing/distribution establishments to ensure the safety of food products.
- Enforce food safety and animal care legislation.
- Complete the abattoir regulation, food safety regulation and dairy related regulations under *The Food Safety Act* and the proclaiming of the Act.
- Implement an integrated food safety inspection system.
- Conduct essential inspections or audits on the highest risk and/or non compliant premises, depending on the individual programs.

Actual Results

- On Jan.1, 2014, MAFRD implemented a provincial meat inspection program for the 26 provincially licensed abattoirs in the province. The program has provided uninterrupted meat inspection service to the plants while ensuring food safety standards are met and animal welfare best practices are followed.
- In 2014 the provincial meat inspection program provided inspections services to the 26 abattoirs on approximately 2600 days.

Numbers and Species of Animals Processed in Provincial Abattoirs in 2014

Species	Annual Total
Chicken	144,669
Hogs	101,431
Spent Chicken Hens	40,225
Spent Turkey Hens	10,574

Cattle	10,316
Turkey	10,123
Rabbits	2,311
Lambs	1,340
Ducks	1,166
Bison	376
Sheep	323
Goats	193
Geese	97
Elk	94
Calves	15
Horses	3
Yak	1
Donkey/Mule	1
Annual Total	**323,258**

Condemnation Rates in Provincial Abattoirs			
	Number of animals		
Species	**Slaughtered**	**Condemned**	**% Condemned**
Swine	**101,431**	**3,058**	**3.01**
Chicken	**144,669**	**1,701**	**1.18**
Cattle	**10,316**	**90**	**0.87**
Total	**256,416**	**4,849**	**1.89**

- MAFRD Food Processing Plant Inspection program completed 675 inspections of provincially permitted processing/distribution plants.
- MAFRD used escalating enforcement to gain compliance to food safety regulations. The following table demonstrates the enforcement related actions MAFRD under took in 2013 and 2014 under *The Public Health Act* and the Food and Food Handling Establishment Regulation.

Enforcement Action	**2013**	**2014**
Warning Letters	15	12
Common Offence Notices	6	4
Prosecutions	0	1
Suspended Operations	0	6
Closed Facilities	1	2
Seizures	3	12

- MAFRD conducted consultations on the Food Safety and Dairy Regulations with stakeholders and is presently reviewing the comments. MAFRD continues to work closely with Manitoba Health to ensure Manitoba has an integrated food safety system.

In 2015 the two departments upgraded their joint food safety inspection database which maintains all food establishment inspection data for the province. • In 2014, 77 per cent of MAFRD's routine inspections of food processing plants were directed to plants with a high risk rating. These plants require three routine inspections per year.

Animal Health

Expected Results
• Complete procedure and planning documents to address animal health programming under the One Health approach. • Complete draft regulatory amendments in preparation for consultation. • Provide reports and responses to significant animal health events as these situations arise, following disease investigation protocols and procedures. Generate surveillance reports through consultation with veterinary practitioners, from animal health laboratory information and from abattoir condemnation reports. • Provide certifications based on validation of diagnostic reports and on site assessments.
Actual Results
• Procedural and planning documents were updated for Porcine Epidemic Diarrhea (PEDv) and Anthrax, with further updates underway for Anaplasmosis and Chronic wasting Disease. The development and expansion of general procedural and planning documents for disease investigation and surveillance remain a priority. • *The Animal Disease Amendment Act* awaited royal ascent. The following regulations are of priority for the new act: biosecurity, quarantine, reportable hazards and zoning. Consultations will be scheduled with stakeholders once the draft regulations are completed. • The CVO conducted 32 investigations into confirmed or suspect diseases on 37 Manitoba livestock or poultry premises in 2014. This is a significant increase from 13 investigations in 2013. The investigations included over 260 additional premises linked to the primary premises through contact or proximity. The majority of the investigations were related to PEDv. Two case reports relative to the PED outbreak have been drafted. • The CVO completed the analysis of 11 Bovine Tuberculosis (bTB) on farm risk assessments that were conducted in 2013. Individual farm reports were completed. • A web based surveillance report directed towards veterinarians, producers and abattoirs was generated from abattoir condemnation data. The CVO participated in the Western Canadian Swine Health Information Network, which collates reports about significant swine disease from practitioners across western Canada. • Manitoba's Hatchery Supply Flock Certification program provided assurance that 54 Manitoba supply flocks met specific flock health criteria that is equivalent to the U.S. National Poultry Improvement Plan. MAFRD also certified the Avian Influenza status of 29 turkey flocks through the Turkey Grower's Export Enhancement program, allowing access for U.S. slaughter.

Papers Published in Journals and Proceeding

Woodbury MR, Wagner B, Ben-Ezra E, **Douma D,** Wilkins W. "A survey to detect Toxocara Vitulorum and other gastrointestinal parasites in bison herds from Manitoba and Saskatchewan." *Canadian Veterinary Journal.* 55.9 (Sept. 2014) 870-874.

Food Safety Program

Expected Results

- Increase food safety awareness in food industry through the GF2 programming.
- Increase adoption of preventative food safety programs by industry to meet the regulatory requirements.
- Maintain business activity and jobs in the food industry.

Actual Results

- GF2 funding was used to deliver food safety training to over 400 participants in 2014/15 with topics ranging from basic food safety training to specialized topics delivered by experts in the industry. Custom training was also offered to facilities throughout the province if required. MAFRD continued its goal to increase food safety knowledge and capacity in the province by offering training to students in the faculty of food science and consultants. A number of educational resources were developed for use by industry including fact sheets, guidance documents, web pages and technical documents.
- MAFRD continued to encourage and support the adoption of preventive food safety programs that meet regulatory and customer requirements. MAFRD approved 32 requests for assistance to develop food safety programs - representing a $485,000 commitment to the food industry. In addition to financial support, MAFRD offered technical assistance to the food processing industry and consultants to learn how to develop and implement these programs.

4 (b) Chief Veterinary Office/Food Safety

Expenditures by Sub-Appropriation	Actual 2014/15	Estimate 2014/15		Variance Over/(Under)	Expl. No.
	$(000s)	FTEs	$(000s)	$(000s)	
(1) Salaries and Employee Benefits	3,162	43.00	3,732	(570)	1
(2) Other Expenditures	1,425		1,936	(511)	2
(3) Grant Assistance	10		11	(1)	
(4) Less Recoverable from other appropriations	(18)		(616)	598	3
Total Sub-Appropriation	**4,579**	**43.00**	**5,063**	**(484)**	

1. *The decrease is mainly due to miscellaneous salary under-expenditures.*
2. *The variance is primarily the result of lower than anticipated costs associated with the Meat Inspection Services program and new Disease Management program partially offset by increased expenditures for animal health and welfare programs due to an increase in the number, complexity and severity in both disease investigations, including Porcine Epidemic Diarrhea, and animal welfare cases.*
3. *The under-recovery is primarily due to lower than anticipated costs associated with the new Disease Management program due to delays in program implementation.*

Appropriation 4 (c) – Crop Industry

Mandate

The mandate of the Crops Knowledge Centre (KC) is to provide leadership, intelligence and recommendations on issues pertaining to production, processing and marketing of crops suited for production in Manitoba. The underlying principles for priority development include:

- enhancing net farm incomes
- developing rural communities
- practicing environmental sustainability

The Soil Survey program undertakes mapping of soil in areas of particular sensitivity or proposed development that ensures the best possible decisions are made about land use and management in Manitoba. This initiative is being delivered in consultation with other departments involved in mapping functions and enforcement of land use and management decision such as *The Planning Act*, *The Water Protection Act* and *The Environment Act*.

Industry Development – Capacity, Variety, Policy

Expected Results

- Develop and promote national and provincial food safety/biosecurity programs. Ensure safer food and food products by increasing producer/processor awareness and participation in food safety programs.
- Reduce variability in crop quality and quantity, allowing production of consistent high quality primary products for local processing activities.
- Develop opportunities in "new" crops, processing, and value added products. Expand local industry through increased consumption of local products, either in raw or processed form. Commercialize new value added projects, adding to the Manitoba economy and creating jobs.
- Establish a crop/variety database identifying beneficial health components.
- Develop of plans (strategic/research) that move the associations toward sustainability and increased sector profitability.
- Create partnerships with industry to facilitate development of increased surveillance, diagnostic capability and disease/pest risk forecasting.
- Initiate and complete rural water supply projects.
- Expand, improve and initiate irrigation projects in Manitoba.
- Complete technical reviews of proposals to funding sources. Promote projects to increase profitability of the commodity.
- Access GF2 programming for crop industry.

Actual Results

- Approved 20 Food Safety On Farm biosecurity projects for over $53,000. Sixteen projects in apiculture, three in horticulture and one in grains/oilseeds.
- Manitoba Canola Growers Association partnered with MAFRD and received $250, 00 in GF2 funding to develop capacity for increased surveillance and diagnostic capability for clubroot through establishment of the Pest Surveillance Initiative (PSI).
- Provided information to Manitoba Agri-Health Research Network for the crop variety database.
- The GF2 Growing Adaptation Rural Water Pipeline project received no applications in

2014/15.

- One thousand acres of irrigation infrastructure installed in 2014/15 and 2,000 acres are being planned for future development.
- Manitoba Pulse Growers Association (now Manitoba Pulse and Soybean Growers) accessed $52,500 from GF2 Growing Actions fund to complete a feasibility study for a soybean crushing plant in Manitoba.

Pest Management – Surveillance, Forecasting

Expected Results

- Improve bee health through early detection and treatment of disease. Increased cross-border movement of bees through inspection of honey bee colonies/leaf butting bee operations.
- Reduce production loss through early detection of disease by diagnosing 1,000 crop samples for plant diseases, herbicide injury and insect damage, and identification of weeds and insects.
- Early detection and mitigation of pests and disease through information shared in national and provincial surveillance/biosecurity programs.
- Develop qPCR capacity for clubroot detection, quantification and distribution within Manitoba.
- Provide weather and climate information to projects assessing variety adaptation, crop diseases, weed and insect management, crop yields, quality and other factors.
- Reduce production losses through timely generation and distribution of disease and insect risk forecasts.

Actual Results

- Inspected 202 honey bee colonies for interprovincial movement, 100 colonies at auctions and 1409 colonies for American Foulbrood (AFB). Also inspected 832 queens from an imported shipment
- Inspected 48 leafcutter bee operations and found 16 with chalkbrood disease.
- Diagnosed 150 honey bee and leafcutter bee samples from Manitoba producers.
- The Crop Diagnostic Lab diagnosed 963 samples for plant diseases, herbicide injury, insect damage and identification of weeds and insects.
- The Crop Diagnostic Lab visually identified Verticillium Wilt (VW) in canola, a culture was sent to National Fungal lab in Ottawa where it was confirmed as first case of VW in Canada (North America).
- Developed qPCR capacity for clubroot detection, quantification and distribution within Manitoba in partnership with the Pest Surveillance Initiative (PSI).
- Published disease risk forecasts for fusarium head blight (daily), potato late blight (twice weekly), diamondback moth/bertha armyworm (4 weekly maps) and a one time wheat midge and grasshopper forecast in the fall for next spring.
- Submitted swede midge and cereal leaf beetle monitoring results to Western forum as part of an overall Western report.
- Co-ordinated, conducted and summarized provincial crop related surveys.

Regulatory Program

Expected Results

- Improved provincial certification programs training applicators in safe handling and application of products. Increased integrated pest management through delivery of a licensing program and, together with Assiniboine Community College, training delivered to pesticide dealers and applicators and manure applicators.
- Reduced human and animal exposure to smoke through co-ordination of the Crop Residue Burning (CRB) Authorization Program. Development and extension of technology related to straw management alternatives and the promotion of alternative straw utilization opportunities.
- Legislation (including enforcement) administered. Revision of *The Noxious Weeds Act* and other legislation as needed.
- More efficient use of nitrogen (N) and reduction of phosphorus (P) in runoff of water off the land to waterways and less non-point source addition of P into waterways.
- Responses submitted to the federal legislators on changes in regulations impacting crop and bee production.
- Producers/industry compliant with new/changed legislation.

Actual Results

- Worked with Assiniboine Community College to administer certification of pesticide and manure applicators. Verified requirements and issued licenses under *The Pesticide and Fertilizer Control Act (PFCA)* to 1253 pesticide applicators, 358 pesticide vendors, and 51 manure applicators.
- Issued 184 permits under the CRB program. Regulating burning in the rural municipalities (RMs) surrounding the City of Winnipeg has reduced the amount of smoke entering the city.
- Administered *The Noxious Weed Act (NWA).* Received one request from Weed Supervisors for weed control costs greater than $500. As per the NWA, maintained a list of weed inspectors of the RMs and towns in Manitoba.
- Updated crop fertility recommendations at annual Soil Fertility Advisory Committee meeting. Continued incorporation of the nutrient management strategy (4R's) into extension.
- Investigated three cases of non-target pesticide drift under The PFCA.

Crop Production

Expected Results

- Producers adopt new/improved production practices for field, medicinal, industrial, horticultural and forage crops, including; weed, insect and disease control, crop nutrition and soil and water management.
- Increase producer productivity by providing timely production information through improved information dissemination using current technology.
- Develop and support new extension tools. Develop and refine mitigation tools.
- Develop effective provincial programs and initiatives in the crop sector. Increase productivity and farm profitability by providing risk mitigation information and recommendations to producers and agribusinesses.
- Decrease producer production risk through completion of variety trials. Publish Seed Manitoba with other partners. Establish new crop types/varieties in Manitoba.
- Increase income stability through working with MASC to develop new programs that incorporate new crops/varieties being introduced in Manitoba.

- All weather gauges install and improve data handling capacity in MAFRD's Agricultural Weather Network.

Actual Results

- Updated and published the 2015 Guide to Field Crop Protection in partnership with Saskatchewan Agriculture.
- Updated and published field crop variety performance in Seed Manitoba 2015 in partnership with two websites: www.seedinteractive.ca and www.seedmb.ca. Guide to Field Crop Protection in partnership with Saskatchewan Agriculture.
- Provided updated production information through technical presentations, factsheets, posts, revised webpages and interviews.
- Developed an online biosecurity calculator to assist farmers in determining the biosecurity risk on their farm. The calculator was completed in partnership with the Pest Surveillance Initiative.
- Co-ordinated and edited 24 issues of Manitoba Crop Report.
- Updated and reviewed crop web pages as part of ongoing website renewal.
- Built three new stations with weather gauges in 2014: Menisino, Somerset and Moosehorn.

Soil Survey Program

Expected Results

- RM of Langford and Elton: complete maps for agriculture capability, irrigation, irrigated potato production, surface texture, drainage, erosion, topography, stoniness and salinity, in addition to six soil series map sheets (one for each township).
- RM of Whitehead: survey 850 to 900 soil pits and 200-250 samples for lab analyses.
- RM of Cornwallis: finalize soil polygon, attribute data and statistics.
- RM of Daly: survey 700-800 soil pits and about 150-200 samples for lab analyses.

Actual Results

- The Soil Survey Report is complete for the RM of Langford.
- The Soil Survey Reports are underway for the RMs of Elton and Cornwallis.
- Field work is underway in the RMs of Daly and Whitehead.

4 (c) Crop Industry

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	2,490	33.00	2,678	(188)	
(2) Other Expenditures	751		1,146	(395)	
(3) Grant Assistance	-		51	(51)	1
Total Sub-Appropriation	**3,241**	**33.00**	**3,875**	**(634)**	

1. The under-expenditure is due to delays in finalizing an agreement with the beekeeping industry.

Appropriation 4 (d) – Agri-Environment

Mandate

MAFRD delivers programming that supports the development of Manitoba's agriculture, agri-food and rural sectors while protecting agri-environmental resources.

The Agri-Environment Knowledge Centre provides leadership and advice on agri-environmental issues and represents Manitoba in regional and national discussions. Efforts are focused on the development of programs, policies, regulations and extension materials to facilitate the adoption of beneficial management practices (BMPs).

Improved Nutrient Management Planning

Expected Results

- Increase knowledge of manure treatment systems and improve manure transportation and application technologies.
- Provide financial assistance to manure storage/treatment, resulting in reduced phosphorus loading in sensitive areas.
- Increase adoption of BMPs that improve soil quality, soil fertility and soil conservation to increase crop yields and nutrient uptake and decrease nutrient loss to the environment.
- Increase training of manure management planners and commercial manure applicators to ensure compliance with environmental regulations.
- Create provision of acreage requirements for new and expanding livestock operations and assessment of land suitability for manure application.
- Increase number of agricultural producers with current environmental farm plans.

Actual Results

- Staff participated on the board of the Manitoba Livestock Manure Management Initiative (MLMMI).
- Staff reviewed and approved the following BMP projects under the Manure Management Financial Assistance Program (MMFAP): three increased manure storage ($236,302) and 11 manure storage repairs ($753,825) for a total of 14 projects at $990,127 in provincial funding.
- Staff reviewed and approved the following projects under the GF2 program: three increased manure storage ($375,000), one manure storage repairs ($100,000), one manure treatment ($136,500, forfeited), three farmyard runoff control ($82,978), four relocation of livestock ($274,756) and 27 extensive wintering of livestock ($407,660) for a total of 39 BMP projects at $1,376,895.
- The GF2 - Growing Assurance Farmland Beaver Damage Control program funded control measures to reduce the economic impacts on agricultural land.
- Staff demonstrated soil management concepts to agronomists attending Crop Diagnostic School, Soil and Water Management Field Clinics and CanoLAB.
- BMP extension reached over fifteen hundred people via the 4R Nutrient Stewardship Memorandum of Understanding with the Canadian Fertilizer Institute and Keystone Agricultural Producers.
- Staff delivered presentations on soil conservation and soil quality (residue management, salinity, compaction, soil health) to agronomists and producers attending Manitoba Agronomists Conference, soil fertility workshops and other field and classroom events.

- Staff participated in the delivery of the Assiniboine Community College Manure Management Planners and Commercial Manure Applicators courses and updates. Staff contributed to nine provincial technical review committee reports for new or expanding livestock operations.
- Staff continued to develop a MAFRD land requirements calculator for new and expanding livestock operations. In collaboration with Conservation and Water Stewardship (CWS), staff developed infrastructure and management recommendations for new and expanding pig operations.
- Staff offered 49 Environmental Farm Plan workshops through Growing Forward 2 to 121 farmers (73 returning; 48 new; 99 workbooks).

On-Farm Surface Water Management

Expected Results

- Increase knowledge of on-farm water movement.
- Increase adoption of BMPs that reduce the impact of drought and flooding on agricultural land.
- Decrease phosphorus loss from agricultural lands.
- Improve drainage licensing for Manitoba producers.

Actual Results

- Extended on-farm water movement principles to growers, agronomists and other stakeholders, including water scientists and managers through a water and nutrient movement learning station at conference trade shows and annual meetings and field days of water-related organizations.
- Provided financial and technical support for water management projects via Growing Forward programming. Contributions to research were made to the University of Manitoba Watershed Research Studies Program.
- Participated in a stakeholders group to review and provide input to proposed drainage licensing in Manitoba.

Agricultural Land Management

Expected Results

- Complete subdivision review in relation of agricultural policies: approximately 500-700 subdivisions tracked annually.
- Prepare an agricultural support document based on agricultural statistics, land use satellite imagery and agri-environmental programs that address watershed issues to support agricultural practices and land use changes, as well as agricultural programming addressing watershed issues.
- Establish effective land use policies that support the sustainability of the agricultural industry.
- Make agriculturally suitable land available for leasing within a multiple use framework that is consistent with the provincial interests.
- Protect provincial interests in crown lands (rare and endangered species, water management, critical wildlife habitat).
- Develop management approaches that improve agricultural productivity while achieving environmental and other complementary outcomes.
- Support land evaluation and designation projects in the Mountain South, Alonsa, Netley-Libau Marsh and southern Manitoba Wildlife Management Area lands.

Actual Results

- Provided comments on 420 agricultural subdivisions, and tracked an additional 35 approved through the shortened process.
- Defended agricultural land use at two subdivision hearings.
- Provided support to Envirothon school soils/agriculture and departmental extension meetings.

Climate Change – Mitigate Greenhouse Gas (GHG) from Agriculture

Expected Results

- Increase adoption of BMPs that mitigate GHGs.
- Publish trends in agricultural GHG emissions and potential reduction opportunities.
- Improve science-based knowledge, technologies and strategies in order to better position beef farmers to either mitigate GHG emissions and/or increase carbon sequestration.

Actual Results

- Through the Growing Assurance EG&S program, MAFRD funded 35 on-farm projects with GHG mitigation benefits. MAFRD also approved 41 BMP projects through the Growing Assurance Environment program, which are expected to mitigate GHG emissions to some extent. Extension efforts have focused on increasing adoption of BMP's that reduce GHG emissions. Examples include:
    - Staff highlighted how fertilizer management can be a potential GHG reduction opportunity.
    - Staff presented posters with a life cycle analysis of beef and alfalfa-grass hay production in Manitoba quantifying specific sources of GHG emissions and carbon sequestration.

Ecological Goods and Services (EG&S)

Expected Results

- Conservation Districts (CDs) deliver the GF2 Assurance EG&S Program in association with MAFRD and Conservation and Water Stewardship (CWS). Increase adoption of BMPs that enhance and sustain EG&S through GF2 Assurance EG&S.
- Use of new and innovative decision tools and delivery mechanisms to provide payment for EG&S to landowners in Manitoba will improve the value and outcomes achieved with the appropriate funding.

Actual Results

- GF2 Assurance EG&S programming was successfully delivered by 16 CDs.
- In 2014/15, 42 BMP projects were approved under GF2 EG&S program.
- Three conservation auctions were conducted by CDs resulting in approval of 13 bids for 9 BMP projects and two conservation agreements.

Climate-Change Resilience/Adaptation

Expected Results

- Create greater awareness of climatic risks and research priorities, increase adaptive capacity and increase capacity for farm planning.
- Identify priorities for adaptation planning.
- Improve knowledge for on-farm and regional water management to mitigate drought and flooding risks.
- Collect information on fall soil moisture levels for agronomic decision-making and flood-prediction modeling.

Actual Results

- Staff developed MAFRD's Climate Change Adaptation Strategy and contributed to agriculturally relevant content in the MB Climate Atlas Project.
- Staff identified agricultural climate change adaptation risk and opportunity assessments as a priority for adaptation planning.
- Staff analyzed on farm water retention structure characteristics.
- Staff completed and published results for the fall 2014 annual fall soil moisture survey to aid agronomic decision making and flood prediction modeling, preparing for the 2015 fall soil moisture survey.

4 (d) Agri-Environment

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	897	14.00	1,236	(339)	1
(2) Other Expenditures	174		256	(82)	
(3) Manure Management Financial Assistance Program	267		1,500	(1,233)	2
Total Sub-Appropriation	**1,338**	**14.00**	**2,992**	**(1,654)**	

1. *The decrease is mainly due to vacancy management.*
2. *The under-expenditure is mainly due to lower than anticipated costs incurred by producers for manure treatment and storage projects.*

Appropriation 4 (e) – Less: Recoverable from Rural Economic Development Initiatives (REDI)

Mandate

This sub-appropriation provides for the recovery of expenditures related to the Manure Management Financial Assistance Program and Meat Inspection Services Program.

Expected Results
• Costs related to the Manure Management Financial Assistance and Meat Inspection Services programs will be recovered from Rural Economic Development Initiatives (REDI).
Actual Results
• Manure Management Financial Assistance program costs were partially recovered from REDI. Actual 2014/15 program costs were lower than anticipated mainly as a result of project delays, resulting in no recoveries from REDI. • REDI recoveries of $1.6 million were processed for costs associated with the Meat Inspection Services Program.

4 (e) Less: Recoverable from Rural Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Other Expenditures	(1,589)	-	(2,300)	711	1
Total Sub-Appropriation	**(1,589)**	-	**(2,300)**	**711**	

1. The variance is mainly due to lower than anticipated costs related to Manure Management Financial Assistance and the Meat Inspection Services programs.

Appropriation 5
Agri-Food and Rural Economic Development

Provides front-line delivery and support of programs to enhance the profitability of family farms and agribusiness, and build vibrant rural communities.

This division also provides leadership and specialized support in the priority areas of farm business management, rural leadership, agricultural Crown lands, value-added processing, rural and community economic development, food processing, and food commercialization and marketing.

Appropriation 5 (a) – Growing Opportunities Centres

Mandate

Growing Opportunities (GO) Teams are the lead branch for Manitoba Agriculture, Food and Rural Development's (MAFRD) front line service delivery and extension. The branch delivers programming that addresses all areas of MAFRD's mandate. The branch has specialists to assist clients in the following lines of business:

- Primary Agricultural Production Extension Advisory Services - Farm Production Advisors (FPAs) work with producers and industry in crop, livestock, forage, and agri-environment to increase farm production profitability and sustainability.

- Farm Business Management - Farm business management staff work with producers, agri-business, commodity organizations and financial institutions to enhance and sustain farm profitability by developing and delivering tools and advisory services in farm management.

- Rural Leadership and Organizational Development - GO Teams staff deliver and support programs in the development of rural leadership and organizational development. These include programs such as: 4-H, Ag Societies, Women's Institute, as well as other work in support of developing rural leadership and rural organizations.

- Ag Crown Lands (ACL) - The administration and management of agricultural crown lands (ACL) is carried out by GO Teams on ACL lands across Manitoba. Staff work with producers to allocate these lands, and ensure optimal production.

Primary Ag Production Extension Advisory Services

Expected Results
• Staff will extend information on all aspects of soybean production such as varieties, fertility, pests, seeding, harvesting, and storage. • Pest monitoring will include insects, diseases and weeds. Provincial wide survey results will be published on a timely basis on pests which will include: Diamond Back Moth, Bertha Army Worm, Cabbage Seed Pod Weevil, wireworms, grasshoppers, Clubroot, cereal leaf diseases, and emerging herbicide-resistant weeds. Appropriate control measures, if needed, will be disseminated to the agriculture industry. Weekly crop information will be collected and published advising on potential problems or opportunities for the agriculture industry.

- Crops Farm Production Advisors (FPAs) will transfer knowledge by speaking at 100 meetings to over 3000 participants. Forage and Livestock FPAs will transfer information at 20 meetings, two provincial tours, one provincial conference and five online publications.
- Forage and Livestock FPAs will analyze and summarize data collected from plots and make recommendations on rejuvenating forages after a major flooding event. This information will be relevant now and in the future.
- Staff, through one-on-one consultation with Crown land lease holders, will extend forage improvement practices to increase grazing capacity.
- Agri-Environment FPAs will promote and deliver Growing Forward 2 (GF2) programming (Growing Assurance-Environment and Growing Assurance-Ecological Goods and Services).
- Staff will offer a minimum of 20 Environmental Farm Plan workshops through GF2.
- Staff will assist producers with interpretation of agri-environment regulations and Beneficial Management Practices (BMP) adoption including riparian area management planning, manure management planning, farmyard run-off control, and livestock winter site management.

Actual Results

- Staff extended information on all aspects of soybean production such as varieties, fertility, pests, seeding, harvesting and storage at production meetings with over 200 producers in attendance.
- Pest monitoring included insects, diseases and weeds. Provincial wide survey results were published on a timely basis on pests which included: Diamond Back Moth, Bertha Army Worm, Cabbage Seed Pod Weevil, wireworms, grasshoppers, Clubroot, cereal leaf diseases, and emerging herbicide-resistant weeds. Appropriate control measures, if needed, were disseminated. Weekly crop information was collected and published. Insect monitoring traps were established in over 50 sites across the province and monitored weekly. The insect counts were used to predict potential insect threat.
- Staff spoke at 100 crop meetings to over 3000 participants, at 20 Forage and Livestock meetings, 2 provincial tours, 1 provincial conference and 5 online publications.
- Staff analyzed and summarized data collected from plots and made recommendations on rejuvenating forages after a major flooding event.
- Staff extended forage improvement practices to increase grazing capacity on Crown land leases.
- Staff delivered GF2 programming regarding Environment and Ecological Goods and Services resulting in 68 applications.
- Staff offered 49 Environmental Farm Plan workshops through Growing Forward 2 with a total of 121 farmers participating.
- Staff assisted 75 producers with interpretation of agri-environment regulations and Beneficial Management Practices adoption including riparian area management planning, manure management planning, farmyard run-off control, and livestock winter site management.

Additional Results

- Staff participated in the development and delivery of the 2014 Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative to Manitoba livestock producers affected by excess moisture in 2014.

Farm Business Management

Expected Results

- Staff will extend the awareness message “Farms should have a Farm Safety and Human Resource plan” through 2 newspaper articles, 10 displays at agricultural meetings, Ag Days and 5 presentations in co-ordination with partners.
- Staff will develop/share information on business and strategic planning through enhancing the Business Management section of the MAFRD website.
- Staff will prepare new and update existing tools and resources in crop and livestock cost of production, land values, land rental rates, input economics and extend the information through events such as Ag Days and on the MAFRD website.
- Staff will participate in a western Canadian cow/calf production and financial benchmarking project involving both industry and individual beef producers.
- Staff through the Bridging Generation’s Initiative (BGI) program will provide program administration and continue to consult with 300 active BGI clients.
- As requested, staff will provide financial consultative services for up to 20 mediation cases to support the Farm Mediation Board process.
- Staff will develop/share a resource guide in market planning that can be used by industry and clients.
- Staff will promote the new MAFRD Transition Planning Guide to industry partners and farm clients through 10 one-on-one consultations and through MAFRD website.
- Staff will review/update existing tools and resources in the transition and succession planning area.
- Staff will promote and support 20 clients with the GF2 Next Generation program.

Actual Results

- Staff extended the awareness message “Farms should have a Farm Safety and Human Resource Plan” through 6 newspaper articles as well as 50 farm management articles and tweets. The farm management display was at 13 agricultural meetings and Ag Days. Staff did 33 presentations throughout the year. Staff updated information on farm management on the MAFRD website including: business and strategic management, production economics, marketing, financial management, farm succession and transition.
- Staff prepared 15 new and updated existing tools and resources on crop and livestock cost of production, land values, land rental rates and input economics.
- Staff participated in a western Canadian cow/calf production and financial benchmarking survey, however the survey did not lead to a wider western Canadian bench marking project due to resource issues.
- Staff provided program administration to the Bridging Generation’s Initiative (BGI) and continued to consult with 111 active clients associated with 145 loans.
- Staff provided financial consultative services for 11 mediation cases to support the Farm Mediation Board process. Farm Management staff had 216 existing and 8 new mediation clients.
- The creation of a resource guide in market planning did not move forward due to resource issues with co-operating partners.
- Staff promoted the new MAFRD Transition Planning Guide through 10 client awareness meetings, MAFRD’s website, technical articles, tweets, industry consultants, booth displays and radio interviews.
- Staff reviewed/updated existing tools and resources in the transition and succession planning area.

- Staff made 302 client contacts that resulted in 36 applications to the GF2 Next Generation program; 17 approved and 11 pending.

Rural Leadership and Organizational Development

Expected Results

- Staff will work with 10 area 4-H Councils and Manitoba 4-H Council to provide leadership and organization development.
- Two thousand one hundred (2,100) youth will have developed organization and leadership skills through 4-H Program.
- Three hundred community members will have increased knowledge and skills to lead organizations.
- Fifteen organizations will have assessed their organizational capacity and taken action on opportunities to further their organization.
- Staff will deliver components of GF2 Growing Visions and Growing Actions.
- Young Farmers Committee will co-ordinate the Manitoba Young Farmers Conference in partnership with Keystone Agricultural Producers' Young Farmers Committee, with a focus on relationship building and farm management skill development.

Actual Results

- Staff worked with 10 4-H Area Councils and Manitoba 4-H Council, including 1400 4-H volunteer leaders who provided leadership and organization development.
- Two thousand one hundred (2,100) youth developed organization and leadership skills through 4-H Program.
- Three hundred (300) community members increased knowledge and skills to lead organizations.
- Fourteen organizations assessed their organizational capacity, and took action on opportunities to further their organization.
- Staff delivered components of GF2 Growing Visions and Growing Actions.
- Young Farmers Committee co-ordinated the Manitoba Young Farmers Conference with 110 participants in partnership with Keystone Agricultural Producers' Young Farmers Committee, with a focus on risk management, relationship building and farm management skill development.

Urban and North

Expected Results

- Staff will continue to develop messages, organize events (i.e. Agriculture Awareness Day, Discover Ag in the City, Royal Manitoba Winter Fair) and support other partner organizations to increase the public's knowledge of agriculture.
- Staff will promote and deliver GF2 programming for two commercial business opportunities in Wabowden and Thompson.
- Staff will provide agricultural extension to 15 northern community projects in First Nation and Northern communities.
- Staff will support community food market opportunities in Thompson and The Pas including producer recruitment, advertising and promotion.

Actual Results

- Staff developed messages, organized events including Agriculture Awareness Day, Discover Ag in the City and Open Farm Day and supported other partner organizations to increase the public's knowledge of agriculture.

- Staff promoted GF2 programming for two business opportunities in Wabowden and Thompson. Clients reviewed opportunities under GF2, but did not apply. Staff worked with Northern Healthy Food Initiative and Bayline Communities to commercialize root crop production in Wabowden.
- Staff provided agricultural extension to 20 northern community projects in First Nation and Northern communities.
- Staff supported community food market opportunities in Thompson and The Pas including producer recruitment, advertising and promotion. Community markets continue to grow in Thompson, The Pas and Swan River.

Ag Crown Lands (ACL)

Expected Results

- Continue to manage community pasture lands (395,306 acres of agricultural Crown and rural municipality lands) in an agriculturally sustainable and productive manner. Work with respective government departments and industry stakeholders in the divestiture of community pasture lands with a mandate to conserve and protect these lands via managed grazing.
- In conjunction with Crown Lands and Property Agency (CLPA), delivery of the ACL which will involve the management and disbursement of $1.6 million tax dollars (conditional grant) to rural municipalities.
- Increase the number of Aboriginal participants in the ACL program.
- Staff will provide ACL and the forage improvement extension to beef producers.
- Ensure agricultural opportunities are captured within the acquired Shoal Lakes area by utilizing these lands in support of the agricultural base in Manitoba to provide continuing economic opportunity for the area.
- Continue to facilitate Treaty Land Entitlement selections by identifying and making ACL available for Aboriginal use whilst upholding the goals and objectives of the provincial land use policies and Crown land planning to assist in resolving outstanding land issues.

Actual Results

- Managed all community pasture lands (395,306 acres of agricultural Crown and rural municipality lands) in an agriculturally sustainable and productive manner. Worked with respective government departments and industry stakeholders in the divestiture of community pasture lands with a mandate to conserve and protect these lands via managed grazing. The producer patron group, the Association of MB Community Pastures (AMCP) is operating pastures across Manitoba.
- Delivered the ACL program in conjunction with Crown Lands and Property Agency (CLPA), which involved the management and disbursement of $1.6 million tax dollars (conditional grant) to rural municipalities.
- Increased the number of Aboriginal participants in the ACL program.
- Provided ongoing ACL and forage improvement extension to beef producers.
- Ensured agricultural opportunities were captured within the acquired Shoal Lakes area by utilizing these lands in support of the agricultural base in Manitoba to provide continuing economic opportunity for the area.
- Continued to facilitate Treaty Land Entitlement selections by identifying and making available agricultural Crown lands for Aboriginal use, while upholding the goals and objectives of the Provincial Land Use Policies and Crown land planning and assisted in resolving outstanding land issues.

GO Office Frontline Extension

Expected Results

- Extension Co-ordinator Ag Tech (EC-Ag) staff will provide general technical information to clients and will collaborate with discipline specialists when required.
- Staff will refer GF2 inquiries to appropriate program leads and complete associated administrative tasks.
- Staff will provide support to 50 organizations/stakeholders and/or promote their services.
- Staff will provide monthly local knowledge and office activity reports to their GO Team Manager.
- All Extension Co-ordinator (EC) staff will work with 4-H clubs and ten 4-H councils to provide administrative support when necessary.

Actual Results

- EC-Ag staff provided general technical information to clients in collaboration with Crops, Forage/Livestock and Agri-Environmental Farm Production Advisors.
- Staff handled GF2 inquiries and assisted with the application process; in addition ECs assisted with the organization of the 49 EFP workshops for 121 farmers.
- Staff provided information to 43 provincial organizations in addition to responding to local organization requests.
- Staff provided monthly local knowledge and office activity reports to their GO Team Manager.
- ECs provided support for the 156 4-H clubs in the province by taking registrations, printing documents and distributing resources; 10 ECs worked with 4-H area councils as the 4-H Liaison; five of these handled the budgets for the area councils and provided administrative support when necessary.

5 (a) Growing Opportunities Centres

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	8,682	133.50	10,096	(1,414)	1
(2) Other Expenditures	3,531		4,444	(913)	2
(3) Grant Assistance	366		376	(10)	
Total Sub-Appropriation	**12,579**	**133.50**	**14,916**	**(2,337)**	

1. *The decrease is mainly due to vacancy management.*
2. *The under-expenditure is mainly due to expenditure management measures to limit discretionary spending and lower administrative costs due to vacant positions.*

Appropriation 5 (b) – Value-Added and Rural Economic Advancement

Mandate

Value-Added and Rural Economic Advancement (VAREA) Knowledge Centre is the lead agent for the province in rural development and the development and competitiveness of rural agribusiness. VAREA provides services and programs that:

- Build community capacity to lead and realize economic advancement.
- Increase the interest and capacity of rural entrepreneurs and business owners to establish, grow and transition agri-products businesses in rural areas.
- Enable co-ordinated support for rural development to rural communities.
- Develop innovative approaches to rural economic and business development that create jobs and drive the economy.

The branch offers rural development services and information, agribusiness development services and information, project financing and co-ordination among rural development services.

Building Community Capacity to Lead Rural Development

Expected Results

- Complete over 150 rural development projects in communities.
- Identify rural economic opportunities for ten regional groups to pursue.
- Improve the capacity of Manitoba municipal leaders and economic development practitioners to lead rural development in their communities.
- Include up to date rural development tools and resources on the community section of the MAFRD website.
- Identify best practices and innovative strategies for addressing common rural development issues.
- Reach five regions of Manitoba with information and strategies to address their rural development goals.
- Create new economic activity and jobs in rural Manitoba.

Actual Results

- Communities completed 155 rural development projects.
    - Hometown Manitoba: 70 communities, 102 projects
    - Partner 4 Growth: 102 communities, 32 projects
    - First Impressions Community Exchange (FICE): five communities, three projects
    - Regional Economic Analysis Process (REAP): 46 municipalities, three First Nations, eight projects
    - CED Tax Credit: three projects
    - Northern Community Agreements: three communities, three agreements
    - Strategic Planning: four communities; four projects
- Manitoba municipal leaders and economic development practitioners improved their capacity to lead rural development in their communities.
    - Training and information: one video conference, three webinars, two training workshops

    - Fifty-three information communications to economic development practitioners
    - Three conference presentations
    - Two training sessions for municipal councillors
- Reorganized the Community section of the MAFRD website and added resources for the CED Tax Credit Program.
- Identified best practices and innovative strategies for addressing common rural development issues.
    - Co-ordinated with the Rural Development Institute on "Rural Works": A Rural Policy Think Tank that lead to a series of recommendations to communities and government
    - Attended training with Economic Developers Association of Canada on innovative approaches for investment and a resource guide is being developed.
    - Attended Canadian Rural Revitalization Foundation Conference
- Reached eight regions encompassing 46 municipalities and three First Nations communities with information and strategies to address their rural development goals through Regional Economic Analysis Process (REAP)
- Created new economic activity and jobs in rural Manitoba
    - The number of jobs in rural Manitoba increased 1.2 per cent (not including Northern Census Divisions or the City of Winnipeg) from December 2013 to December 2014

Rural Business Establishment, Growth and Transition

Expected Results

- Send 750 agri-product and rural businesses four issues of the *Rural Biz* e-newsletter.
- Reach 450 target clients by partnering in the delivery of three provincial events (Take the Leap, Entrepreneur Boot Camp and Manitoba Ag Days) to deliver resources and information on growth and management strategies for business.
- Develop resources to support business retention and expansion activities at the community and regional level and promote to all municipalities and rural agencies.
- Develop three new resources to be made available to Manitoba agri-product processors and rural entrepreneurs.
- Populate MAFRDs website with business management resources specific to value added and agri-product processing enterprises.
- Have 75 business owners participate in one of three panel discussion forums on the topic of business growth.
- Give support to agri-product processors, rural business owners and organizations through Growing Forward 2 (GF2) programs that allow them to capitalize on market opportunities.
- Maintain and create new economic activity and jobs in rural Manitoba.

Actual Results

- CentrePort Canada was supported with Growing Forward 2 Growing Visions funding to identify opportunities in value-added agriculture in the Capital Region.
- Eight hundred and four agri-product and rural businesses received four regular issues of the *Rural Biz* e-newsletter and an additional special edition for Small Business month.
- Four provincial events (Take the Leap, Entrepreneur Boot Camp, Manitoba Ag Days and Agri-Innovation Forum) had 1575 targeted clients participate, increasing and improving their business management capacity.

- One new resource, Human Resource Management for Rural Business, was developed to support business retention and expansion activities.
- Four new resources were developed and made available to Manitoba agri-product processors and rural entrepreneurs.
- Updates were made to MAFRD website to expand business management resources to apply to value added and agri-product processing enterprises.
- Five Business Talk webinars had 210 people participate, addressing topics related to business management principles.
- Ten presentations were made to provide information on topics related to entrepreneurship, business management as well as MAFRD programs.
- Five agri-product processors and organizations were provided support through Growing Forward 2 programs to assist them in capitalizing on market opportunities.
- GF2 was promoted and pathfinding and additional application assistance was provided to agri-product processors, rural entrepreneurs and organizations.

Rural Development Co-ordination and Innovation

Expected Results

- Staff involved in delivering community economic development services will have an understanding of the services and programs offered through other agencies.
- New innovative approaches and resources will be reviewed from a minimum of two outside jurisdictions for their application and use in Manitoba.
- Pilot projects in the Capital Region will be completed with identification of qualified agri-product processing opportunities with strategic investment potential.
- Three resources will be developed and updated which are targeted towards agriculture and value added processing investment and attraction.
- Evaluation and identification of opportunities for Manitoba agri-product processing will be researched in five agricultural commodity sectors.
- Two rural research projects on issues important to rural Manitoba will be completed.
- Programs and services from Manitoba will be delivered in rural Manitoba in a seamless fashion.

Actual Results

- Reviewed new innovative approaches and resources from outside jurisdictions for their application and use in Manitoba:
  - “Rural Works: A Rural Policy Think Tank” presented approaches from Alberta, Saskatchewan, Newfoundland, Missouri and British Columbia
  - Canadian Rural Revitalization Foundation Conference presented approaches from across Canada
  - Economic Developers Association of Canada trained participants on investment attraction
- Completed and presented the Capital Region: Regional Economic Analysis report which identified of qualified agri-product processing opportunities with strategic investment potential.
- Participated in *Growth Strategies for Rural Communities* and *the Integrated Community Adjustment: Strategic Breakthrough Community* advisory groups in conjunction with Rural Development Institute research projects.
- Identified opportunities for agriculture processing in the region through CentrePort Canada, with Economic Development Winnipeg and Partnership for the Manitoba Capital Region using GF2 Growing Visions funding.

- Completed an update regarding the agri-product and value added processing sector for the investment attraction package.
- Researched and submitted a sector development strategy document with a plan for identification of ag processing opportunities.
- Responded to seven potential international investors interested in Manitoba agriculture and value added processing.
- Completed research report on Innovation and Agri-Food Processing Commercialization of Bulk Food Ingredients in Manitoba.
- Provided promotion and pathfinding assistance to rural Manitobans about provincial programs and services.

5 (b) Value-Added and Rural Economic Advancement

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	1,588	27.00	2,245	(657)	1
(2) Other Expenditures	446		846	(400)	2
(3) Grant Assistance	610		656	(46)	
Total Sub-Appropriation	**2,644**	**27.00**	**3,747**	**(1,103)**	

1. *The decrease is mainly due to vacancy management.*
2. *The under-expenditure is mainly due to expenditure management measures to limit discretionary spending and lower administrative costs due to vacant positions.*

Appropriation 5 (c) – Food Development Centre

Mandate

The Food Development Centre (FDC) is a Special Operating Agency of the Province of Manitoba and operates under the authority of Manitoba Agriculture, Food and Rural Development (MAFRD). Its mandate is to assist the agri-food industry in the development and commercialization of conventional and functional foods and ingredients.

Product and Process Development – Consultation

Expected Results

- Develop five grain based food and/or beverage products using oats, pulses, buckwheat, hemp or soybeans.
- Develop 35 new food product prototypes.
- Provide regulatory consulting to 150 Manitoba clients.
- Create 250 nutrition labels for food products.
- Initiate two projects using Northern forest products.
- Partner with three commodity groups (pulses, fruit and/or meat and poultry) to initiate research projects for the industry.
- Initiate three new projects using agricultural or food processing by-products.
- Create five new health related food products in partnership with Manitoba Agri-Health Resource Network.
- Work with MAFRD to assist in developing Good Manufacturing Practices (GMP) programs for two food companies.
- Commercialize one product in partnership with Canadian Centre for Agri-Food Research in Health and Medicine and/or Richardson Centre for Functional Foods and Nutraceuticals.
- Develop two seminars/workshops for industry.
- Create new economic activity and new jobs in the food industry.

Actual Results

- Developed soy beverage, canola oil, pasta, flax muffin, roasted chickpea snack; shelf-stable ready-to-eat pulse-based food.
- Developed 32 new food product/ingredient prototypes.
- Provided regulatory and technical consulting to 217 separate requests.
- Created 330 nutrition labels for food products.
- Initiated discussions on commercialization of chaga tea and birch sap/chaga beverage.
- Partnered with three commodity groups, including Manitoba Pulse Growers Association, Flax Council of Canada and Manitoba Canola Growers Association, to initiate research for industry.
- Initiated three new projects using egg shells, fruit pulp and seeds to develop functional ingredients.
- Created six new health related food products, soy beverage, pinto bean and buckwheat flours, pasta, beverage "add-in", cold pressed canola oil and soup mix in partnership with Manitoba Agri-Health Research Network.
- Assisted one Manitoba company in developing their Food Safety Enhancement program to become a federally registered meat establishment with support and communication between MAFRD and FDC. The system includes good manufacturing practices as a basic feature.

- Developed three seminars/workshops on fruit and meat processing for industry.
- Launched eight new products by four companies.

Pilot Plant and Commercial Activities – Incubation

Expected Results

- Assist Manitoba companies to commercialize five new food products in the pilot plant.
- Provide incubation facilities to Manitoba companies to launch three grain-based products.
- Support 10 Manitoba companies to conduct research and development activities in the pilot plant.
- Collaborate with MAFRD (Food Commercialization & Marketing) in seminars/workshops to extend food safety protocol/standards adoption and training for entrepreneurs and processors.

Actual Results

- Eighteen clients were assisted to commercialize food products in the plant.
- Six Manitoba companies were provided production areas for the commercialization of their products.
- Twenty-three research and development projects were conducted for 14 Manitoba companies using the pilot plant.
- Two workshops were conducted using the pilot plant facility and equipment training entrepreneurs and processors in fruit and safe meat processing.

5 (c) Food Development Centre

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	2,003	-	2,020	(17)	
Total Sub-Appropriation	**2,003**	-	**2,020**	**(17)**	

Appropriation 5 (d) – Food Commercialization and Marketing

Mandate

The Food Commercialization and Marketing (FC&M) Knowledge Centre provides:

- Services to entrepreneurs, food processors and organizations to strengthen the competitive position of Manitoba's agriculture and agri-food industry in the domestic and global marketplaces

- Marketing and business management services and information

- Opportunities to promote industry through collaboration and alliances, and partnerships leading to the diversification of Manitoba's food industry

- Programs and services supported by training events, resource materials, outreach missions and other resources

Agri-food Business Development and Market Expansion

Expected Results

- An increase in participation in Buy Manitoba and Local Sustainable Food Procurement Pilot by Manitoba producers, processors, retailers, restaurants, and distributors. Increased domestic consumption of Manitoba grown and processed foods.
- Attendance of over 150 direct farm marketers who will expand their marketing and production skills, leading to increased market access and profitability for these businesses.
- Production and printing of Local Produce Guide, Farmers' Market Guide and Local Ingredients Guide for Restaurants to increase the domestic consumption of Manitoba produce and food products. The ingredients guide for food processors will help position Manitoba as a leader in providing healthy food ingredients both domestically and internationally.
- An increase in Manitoba entrepreneurs' and processors' knowledge of marketing, food safety measures, product and ingredient opportunities and consumer trends to increase their likelihood of success in building their business.
- An increase in attendance of targeted Manitoba agri-food companies at relevant trade shows seeking markets for their food products and ingredients.
- Ten Manitoba food entrepreneurs will compete in the Great Manitoba Food Fight. Two new food products will enter the market within 18 months of participating in the competition and four entrepreneurs will commence and/or continue working with MAFRD in the development of their products and businesses.
- An increase in domestic market awareness and penetration for Manitoba entrepreneurs and their new food products.
- An increase in commercialization, production, and market access of Manitoba-based functional foods and natural health products.

Actual Results

- Over 80 Manitoba companies representing over 1,100 products now participate in the Buy Manitoba Program. A new retail partner, The Red River Co-operative Association, was added this year with four stores in Winnipeg, featuring 17 Manitoba companies representing approximately 60 new food products. The Local Sustainable Food Procurement pilot project successfully connected with over 25 institutions and collected baseline data from eight of these institutions, collectively representing approximately $8 million of annual food purchases.

- One hundred and twenty-four direct farm marketers attended and learned new marketing and production skills, leading to increased market access and profitability for their businesses.
- Ten thousand copies of the Local Produce Guide were distributed to provide consumers regarding the availability of fresh produce throughout the Province.
- One hundred and eleven Manitoba entrepreneurs and processors increased their knowledge of marketing, food safety measures, product and ingredient opportunities and consumer trends at eight workshops. Twenty-two entrepreneurs also received instruction in a series of four workshops on how to prepare themselves for presenting their food product to grocery stores.
- Six client companies went to the Canadian Health Food Association West Conference resulting in relationships and sales being made.
- Ten Manitoba food entrepreneurs competed in the Great Manitoba Food Fight and four new food products entered the market within 12 months of participating in the competition. Six of the entrepreneurs have continued working with MAFRD developing their products and businesses.
- Canadian Safeway stores experienced a seven percent year over year increase in sales of food products identified by the Buy Manitoba program. This increase is higher than overall same store sales.
- Eight Manitoba functional foods and ingredients experienced increased awareness as a result of the department's participation at the Manitoba Restaurant and Foodservice Association's LocalFare event in cooperation with the Manitoba Agri-Health Research Network (MAHRN).

Industry Development Program

Expected Results

- Create awareness about Growing Value and other Growing Forward 2 programs for food, biomass, and biofuel processors as well as increase dialogue and interaction between clients and FC&M staff.
- Accelerate product commercialization, market access, and productive capacity among Manitoba's small to medium sized food, biomass and biofuel processors. Achieve business retention and growth, and create and maintain jobs.

Actual Results

- Growing Value and other Growing Forward 2 programs relevant to Manitoba agri-processors were promoted by staff via newsletters, the MAFRD web site, news releases about funded projects, workshops and personal networking.
- A total of 29 projects were funded among Manitoba's small to medium sized food processors with deliverables including accelerated product commercialization, market access and productive capacity. For the next three years production increases during projects are expected to be, on average, close to four times current levels from beginning to end. Approximately 200 jobs were created and/or maintained in association with these 29 projects.

Business Attraction and Direct Foreign Investment

Expected Results

- An increase in the level of co-ordination, communication, and co-operation among stakeholder organizations who are ultimately working towards similar goals including an increase in client program activity at the Food Development Centre.
- Development and implementation of a proactive strategy for attracting investment and new businesses to Manitoba's agri-product sector.
- An increase in industry awareness of Manitoba as a strong global player in the agri-product sector, increased investment and business development activity in the sector, and increased economic gains for the sector as well as for secondary and tertiary businesses serving the sector.
- Creation of new economic activity and jobs.

Actual Results

- Staff partnered and co-ordinated with Manitoba not-for-profit organizations that provide client business development and consultative services.
- Staff continued to develop a strategy to identify and target food and agri-product companies exploring investment opportunities in Manitoba.
- FC&M used the GF2 – Growing Value program to build awareness of Manitoba's competitive advantage in the food and agri-product sector along with other initiatives. GF2 – Growing Value as of March 31, 2015, approved 39 projects totaling more than $9 million. These investments helped stimulate interest from national and international corporations to explore the merits of investing in Manitoba. Target companies made investment decisions and supported new economic activities building on the MAFRD strategic plan for the sector.

5 (d) Food Commercialization and Marketing

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	1,077	16.00	1,363	(286)	1
(2) Other Expenditures	312		343	(31)	
(3) Grant Assistance	227		359	(132)	
Total Sub-Appropriation	**1,616**	**16.00**	**2,065**	**(449)**	

1. *The decrease is mainly due to vacancy management.*

Appropriation 5 (e) – Infrastructure Grants

Mandate

This program facilitates infrastructure projects which enhance sustainable economic growth and job creation in various communities in Manitoba.

Expected Results
• Development of municipal infrastructure (sewer/water/roads) to service new or expanding enterprises in rural Manitoba deemed of strategic importance to the regional/local economy. • Attraction of two new or expanded enterprises. • Completion of over 130 local projects that enhance the infrastructure, physical appearance and greening of Manitoba rural communities.
Actual Results
• Provided funding under Hometown Manitoba to 102 rural projects to enhance main streets, meeting places and to plant trees. • Provided funding under Growing Forward 2 for waste water projects to support food processing. See 5D for details on Growing Forward and agri-product project expenditures.

5 (e) Infrastructure Development Grants

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	187	-	1,240	(1,053)	1
Total Sub-Appropriation	**187**	**-**	**1,240**	**(1,053)**	

1. *The variance is mainly due to lower than anticipated grant assistance required for the Keystone Centre roof repair project in 2014/15 and lower than anticipated costs associated with the Hometown Manitoba program.*

Appropriation 5 (f) – Rural Opportunities 4 Growth

Mandate

This program provides financial support to communities and regions to identify and pursue rural development opportunities based on strategic advantages (Partner 4 Growth). It also supports the development of sectors or segments that are of strategic importance to the agriculture, agri-food and agri-product sectors in Manitoba.

Expected Results
• Complete 36 rural development projects leading to business growth in rural communities. • Support activity in strategic sector development.
Actual Results
• Approved 31 development projects. Completed 30 projects under Partner 4 Growth. • Assessed regional economic strengths through the regional economic analysis process. This information and follow up community discussions formed the base for regional economic development planning.

5 (f) Rural Opportunities 4 Growth

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grant Assistance	220	-	360	(140)	
Total Sub-Appropriation	**220**	-	**360**	**(140)**	

Appropriation 5 (g) – Less: Recoverable from Rural Economic Development Initiatives (REDI)

Mandate

This sub-appropriation provides for the recovery of expenditures for department-led and managed value added and rural development activities, grants and programs such as the Food Industry Development Program, Rural Opportunities 4 Growth Program, Infrastructure Grants Program, Rural Development Institute grant, Keystone Centre grant, Community Foundations Support Partnership grant and the Food Development Centre grant.

Expected Results:
• Costs related to the programs and activities managed by the Agri-Food and Rural Economic Development division of the department will be recovered from Rural Economic Development Initiatives (REDI).
Actual Results:
• All costs incurred in 2014/15 related to REDI funded programs were recovered.

5 (g) Less: Recoverable from Rural Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Recovery	(4,475)	-	(6,523)	2,048	1
Total Sub-Appropriation	**(4,475)**	-	**(6,523)**	**2,048**	

1. *The under-recovery is primarily the result of lower than anticipated costs related to Infrastructure Grants, Value-Added and Rural Economic Advancement, Rural Opportunities 4 Growth and Food Industry Development.*

Appropriation 5 (h) – Rural Economic Development Initiatives (REDI)

Mandate

Rural Economic Development Initiatives (REDI) provides funding for development projects and strategic initiatives to encourage economic growth, job creation and diversification in rural and northern Manitoba. These funds are designed to provide a boost to the economy while laying the foundation for sustained growth and development.

Expected Results
• Increase the number of business start-ups or expansions in rural and northern Manitoba. • Improve employment opportunities for rural and northern Manitobans, including youth. • Increase direct and indirect local investment in infrastructure, increased economic activity and job creation. • Increase levels of capital investment in rural and northern Manitoba. • Create and maintain jobs in rural Manitoba.
Actual Results
• REDI funded $23.04 million in 2014/15 for 134 projects/initiatives leveraging $11.06 million in investments that advance economic growth in rural and northern Manitoba.

5 (h) Rural Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Rural Economic Development Initiatives	23,042	-	21,400	1,642	
Total Sub-Appropriation	**23,042**	-	**21,400**	**1,642**	

Appropriation 6

Costs Related to Capital Assets

Appropriation 6 (a) – Amortization Expense

Mandate

The department must comply with Public Sector Accounting Board (PSAB) standards and government policies and guidelines respecting the treatment of tangible capital assets.

Expected Results
• Recognition of amortization consistent with government and PSAB policies and guidelines. • Allocation of the cost of capital assets consistent with the period of service and useful life of the asset. Charges for TCAs amortized and expensed as required and reported as part of the statement of operations.
Actual Results
• 2014/15 amortization costs were recorded consistent with government and PSAB guidelines. • Charges for amortization were recorded consistent with the period of service and useful life of the asset.

Appropriation 6 (b) – Interest Expense

Mandate

To provide for interest costs related to capital investment decisions made by the department.

Expected Results
• Provide financing costs for capital investments related to the department.
Actual Results
• Interest costs were accurately reflected in the all financial statements and consistent with the period of service and useful life of the department's tangible capital assets.

6 Costs Related to Capital Assets

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(a) Amortization Expense	261	-	275	(14)	
(b) Interest Expense	74	-	81	(7)	
Total Appropriation	**335**	-	**356**	**(21)**	

SECTION ONE

PART B

CAPITAL INVESTMENT INFORMATION

Part B – Capital Investment

Mandate

To provide for the acquisition of tangible capital assets needed in the Veterinary Diagnostic Services (VDS) laboratory to protect human health from zoonotic diseases and animal health from serious diseases.

Expected Results

- The department invests $250.0 to update and replace aging laboratory equipment.
- The investment supports continuity in service delivery and surveillance efforts.

Actual Results

- During 2014/15, the department invested $244,000 in new laboratory equipment.
- Capital asset purchases ensured VDS continued to provide service delivery to provincial animal welfare investigations and animal disease response and surveillance activities. It also ensured required animal health testing was available to livestock and companion animal veterinary clients. Last year VDS performed a new record number of over 151,000 tests.

Additional Results

- The department incurred $445,000 in capital investment costs related to remediation of lands purchased under the Shoal Lakes Agricultural Flooding Assistance Program – Voluntary Buy-out Program component. Funding for this purpose was allocated from 26 Capital Assets – Internal Service Adjustments to facilitate the land acquisitions under the program.

Part B - Capital Investment

Expenditures by Sub-Appropriation	Actual 2014/15 $(000s)	Estimate 2014/15 FTEs	Estimate 2014/15 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Capital Investment	689	-	689	-	
TOTAL	689	-	689	-	

SECTION TWO

ADDITIONAL FINANCIAL INFORMATION AND APPENDICES

Appendix A: Financial Information
Manitoba Agriculture, Food and Rural Development
Expenditure Summary

for the fiscal year ended March 31, 2015 with comparative figures for the previous fiscal year ($000s)

Estimate 2014/15	Appropriation	Actual 2014/15	Actual 2013/14	Increase/ (Decrease)	Expl. No.
	PART A - OPERATING				
	03-1 ADMINISTRATION AND FINANCE				
37	(a) Minister's Salary	32	37	(5)	
	(b) Executive Support				
674	(1) Salaries and Employee Benefits	669	605	64	
80	(2) Other Expenditures	57	88	(31)	
	(c) Strategic Planning and Corporate Information Directorate				
537	(1) Salaries and Employee Benefits	330	399	(69)	
133	(2) Other Expenditures	88	93	(5)	
	(d) Financial and Administrative Services				
1,158	(1) Salaries and Employee Benefits	1,006	1,017	(11)	
350	(2) Other Expenditures	304	258	46	
	(e) Information Technology Services				
843	(1) Salaries and Employee Benefits	747	821	(74)	
195	(2) Other Expenditures	162	186	(24)	
4,007	Subtotal 03-1	3,395	3,504	(109)	

Appendix A: Financial Information
Manitoba Agriculture, Food and Rural Development
Expenditure Summary

for the fiscal year ended March 31, 2015 with comparative figures for the previous fiscal year ($000s)

Estimate 2014/15	Appropriation	Actual 2014/15	Actual 2013/14	Increase/ (Decrease)	Expl. No.
	03-2 POLICY AND AGRI-INNOVATION				
	(a) Policy Development and Analysis				
2,648	(1) Salaries and Employee Benefits	2,110	2,323	(213)	
469	(2) Other Expenditures	418	368	50	
	(b) Agri-innovation and Adaptation				
1,264	(1) Salaries and Employee Benefits	1,089	1,153	(64)	
330	(2) Other Expenditures	225	231	(6)	
4,115	(3) Grant Assistance	3,444	2,114	1,330	1
	(c) Boards, Commissions and Legislation				
630	(1) Salaries and Employee Benefits	518	559	(41)	
246	(2) Other Expenditures	268	318	(50)	
400	(d) Agricultural Sustainability Initiative	336	344	(8)	
1,000	(e) Manitoba Biomass Energy Support	877	354	523	2
11,102	Subtotal 03-2	9,285	7,764	1,521	

Appendix A: Financial Information
Manitoba Agriculture, Food and Rural Development
Expenditure Summary

for the fiscal year ended March 31, 2015 with comparative figures for the previous fiscal year ($000s)

Estimate 2014/15	Appropriation	Actual 2014/15	Actual 2013/14	Increase/ (Decrease)	Expl. No.
	03-3 RISK MANAGEMENT, CREDIT AND INCOME SUPPORT PROGRAMS				
	(a) Manitoba Agricultural Services Corporation				
9,917	(1) Administration and Lending Costs	4,348	711	3,637	3
57,532	(2) AgriInsurance	55,412	68,936	(13,524)	4
1,558	(3) Wildlife Damage Compensation	1,915	1,692	223	
33,271	(b) Agricultural Income Stabilization	54,946	44,233	10,713	5
36,039	(c) Farmland School Tax Rebate	33,982	32,522	1,460	
(725)	(d) Less: Recoverable from Rural Economic Development Initiatives	(67)	93	(160)	6
137,592	Subtotal 03-3	150,536	148,187	2,349	

Appendix A: Financial Information
Manitoba Agriculture, Food and Rural Development
Expenditure Summary

for the fiscal year ended March 31, 2015 with comparative figures for the previous fiscal year ($000s)

Estimate 2014/15	Appropriation	Actual 2014/15	Actual 2013/14	Increase/ (Decrease)	Expl. No.
	03-4 AGRI-INDUSTRY DEVELOPMENT AND ADVANCEMENT				
	(a) Livestock Industry				
4,877	(1) Salaries and Employee Benefits	4,286	4,445	(159)	
1,751	(2) Other Expenditures	1,742	1,750	(8)	
495	(3) Grant Assistance	491	473	18	
	(b) Chief Veterinary Office/Food Safety				
3,732	(1) Salaries and Employee Benefits	3,162	3,028	134	
1,936	(2) Other Expenditures	1,425	2,039	(614)	7
11	(3) Grant Assistance	10	10	-	
(616)	(4) Less: Recoverable from other appropriations	(18)	-	(18)	
	(c) Crop Industry				
2,678	(1) Salaries and Employee Benefits	2,490	2,603	(113)	
1,146	(2) Other Expenditures	751	718	33	
51	(3) Grant Assistance	-	-	-	
	(d) Agri-Environment				
1,236	(1) Salaries and Employee Benefits	897	1,167	(270)	8
256	(2) Other Expenditures	174	186	(12)	
1,500	(3) Manure Management Financial Assistance	267	3,033	(2,766)	9
(2,300)	(e) Less: Recoverable from Rural Economic Development Initiatives	(1,589)	(2,644)	1,055	10
16,753	Subtotal 03-4	14,088	16,808	(2,720)	

Appendix A: Financial Information
Manitoba Agriculture, Food and Rural Development
Expenditure Summary

for the fiscal year ended March 31, 2015 with comparative figures for the previous fiscal year ($000s)

Estimate 2014/15	Appropriation	Actual 2014/15	Actual 2013/14	Increase/ (Decrease)	Expl. No.
	03-5 AGRI-FOOD AND RURAL ECONOMIC DEVELOPMENT				
	(a) Growing Opportunities Centres				
10,096	(1) Salaries and Employee Benefits	8,682	9,317	(635)	
4,444	(2) Other Expenditures	3,531	3,503	28	
376	(3) Grant Assistance	366	358	8	
	(b) Value-Added and Rural Economic Advancement				
2,245	(1) Salaries and Employee Benefits	1,588	1,658	(70)	
846	(2) Other Expenditures	446	565	(119)	
656	(3) Grant Assistance	610	605	5	
2,020	(c) Food Development Centre	2,003	2,020	(17)	
	(d) Food Commercialization and Marketing				
1,363	(1) Salaries and Employee Benefits	1,077	1,163	(86)	
343	(2) Other Expenditures	312	202	110	
359	(3) Grant Assistance	227	336	(109)	
1,240	(e) Infrastructure Development Grants	187	1,190	(1,003)	11
360	(f) Rural Opportunities 4 Growth	220	108	112	12
(6,523)	(g) Less: Recoverable from Rural Economic Development Initiatives	(4,475)	(5,650)	1,175	13
21,400	(h) Rural Economic Development Initiatives	23,042	21,432	1,610	
39,225	Subtotal 03-5	37,816	36,807	1,009	

Appendix A: Financial Information
Manitoba Agriculture, Food and Rural Development
Expenditure Summary

for the fiscal year ended March 31, 2015 with comparative figures for the previous fiscal year ($000s)

Estimate 2014/15	Appropriation	Actual 2014/15	Actual 2013/14	Increase/ (Decrease)	Expl. No.
	03-6 COSTS RELATED TO CAPITAL ASSETS				
275	(a) Amortization Expense	261	261	-	
81	(b) Interest Expense	74	77	(3)	
356	Subtotal 03-6	335	338	(3)	
209,035	**TOTAL (PART A)**	215,455	213,408	2,047	
	PART B - CAPITAL INVESTMENT				
	3. CAPITAL ASSETS				
250	General Assets	244	157	87	14
439	Land	445	859	(414)	15
689	**TOTAL (PART B)**	689	1,016	(327)	

Appendix A: Financial Information
Manitoba Agriculture, Food and Rural Development
Expenditure Summary

for the fiscal year ended March 31, 2015 with comparative figures for the previous fiscal year ($000s)

Explanations:

1. The variance is mainly due to an increase in projects approved under Grain Innovation Hub Initiative.
2. The increase is primarily the result of a budgeted increase in the Manitoba Biomass Energy Support Program, from $500 in 2013/14 to $1,000 in 2014/15.
3. The variance is mainly due to an increase in loan and loan guarantee provisions from the large reduction in 2013/14 (caused by improvements in the livestock sector) as well as an increase in administration costs primarily resulting from a higher claim year. These costs were partially offset by an increase in net interest income mainly due to the increased size of the loan portfolio.
4. The 2014/15 decrease in AgriInsurance premium costs is primarily the combined impact of an increase in acreage that was not seeded due to excess moisture and a decrease in crop values compared to 2013/14.
5. Agricultural Income Stabilization reflects Manitoba's share of AgriStability and AgriInvest expenses, which are $10.7 million higher than in 2013/14. The variance is primarily due to increased costs related to AgriStability which are based on participating producers' income and are impacted by production, commodity markets and input prices.
6. The increase from the previous year is mainly due to the reduction in 2013/14 to the provision required for loan guarantees for the Rural Entrepreneurial Assistance (REA) Program administered by Manitoba Agricultural Services Corporation.
7. The decrease is mainly due to the Canadian Food and Inspection Agency (CFIA) Meat Inspection Agreement which ended March 31, 2014 as the province assumed responsibility for the inspection of provincial abattoirs.
8. The decrease in salaries is mainly due to a higher vacancy rate experienced in 2014/15.
9. The 2014/15 actual is lower than 2013/14 due to the expiry of the three-year federal-provincial AgriFlexibility cost-sharing agreement on March 31, 2014 and fewer projects being completed prior to end of construction season in 2014. Payments are based on actual expenditures incurred.
10. The decrease in Rural Economic Development Initiatives (REDI) recoveries is mainly due to the expiry of the three-year federal-provincial AgriFlexibility cost-sharing agreement for the Manure Management Financial Assistance Program.
11. The decrease from the prior year in Infrastructure Development Grants is primarily due to the completion of two projects in 2013/14. 2013/14 grant assistance was provided for the purchase of a dissolved air-floatation system by Maple Leaf Foods and for the development of a federally-inspected cattle-slaughter and beef processing facility by Plains Processors Ltd. Lower grant assistance was required for the Keystone Centre roof repair project in 2014/15 than planned.

Appendix A: Financial Information
Manitoba Agriculture, Food and Rural Development
Expenditure Summary

for the fiscal year ended March 31, 2015 with comparative figures for the previous fiscal year ($000s)

12. The variance is mainly due to higher program participation enabled due to enhanced budgeted funding for the Partner 4 Growth Program, from $130 in 2013/14 to $260 in 2014/15.
13. The decrease in REDI recoveries relates to reduced 2014/15 costs in Infrastructure Development Grants and the Buy Manitoba Program.
14. The variance is primarily due to the late receipt of a refrigerated incubator and walk-in-cooler in 2013/14 resulting in the purchases being recorded in 2014/15.
15. The variance reflects the winding down of the Shoal Lake Agricultural Financial Assistance Program – Buy-Out Program.

Appendix B
Manitoba Agriculture, Food and Rural Development
Reconciliation Statements

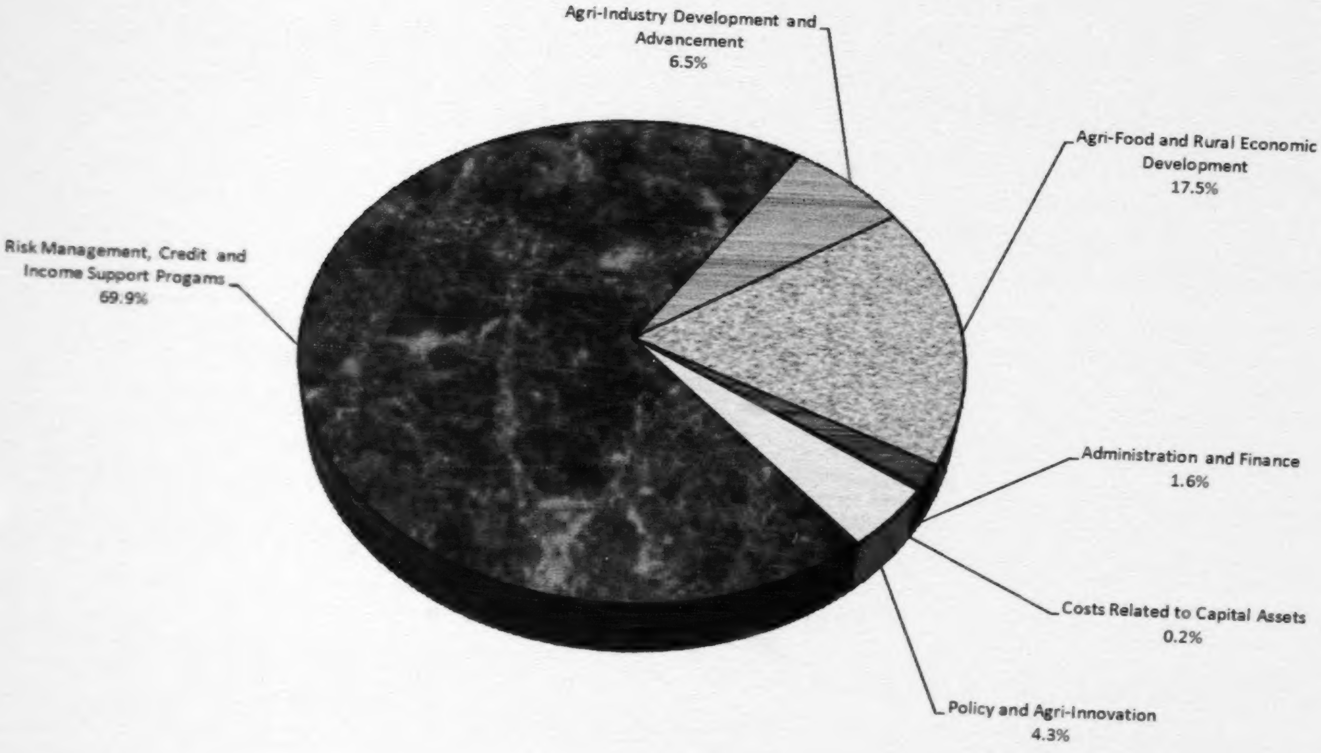
Part A - Operating

DETAILS	2014/15 ESTIMATES $(000's)
2014/15 MAIN ESTIMATES - PART A	209,035
Allocation of funds from:	
- Enabling Appropriations	-
2014/15 ESTIMATES	**209,035**

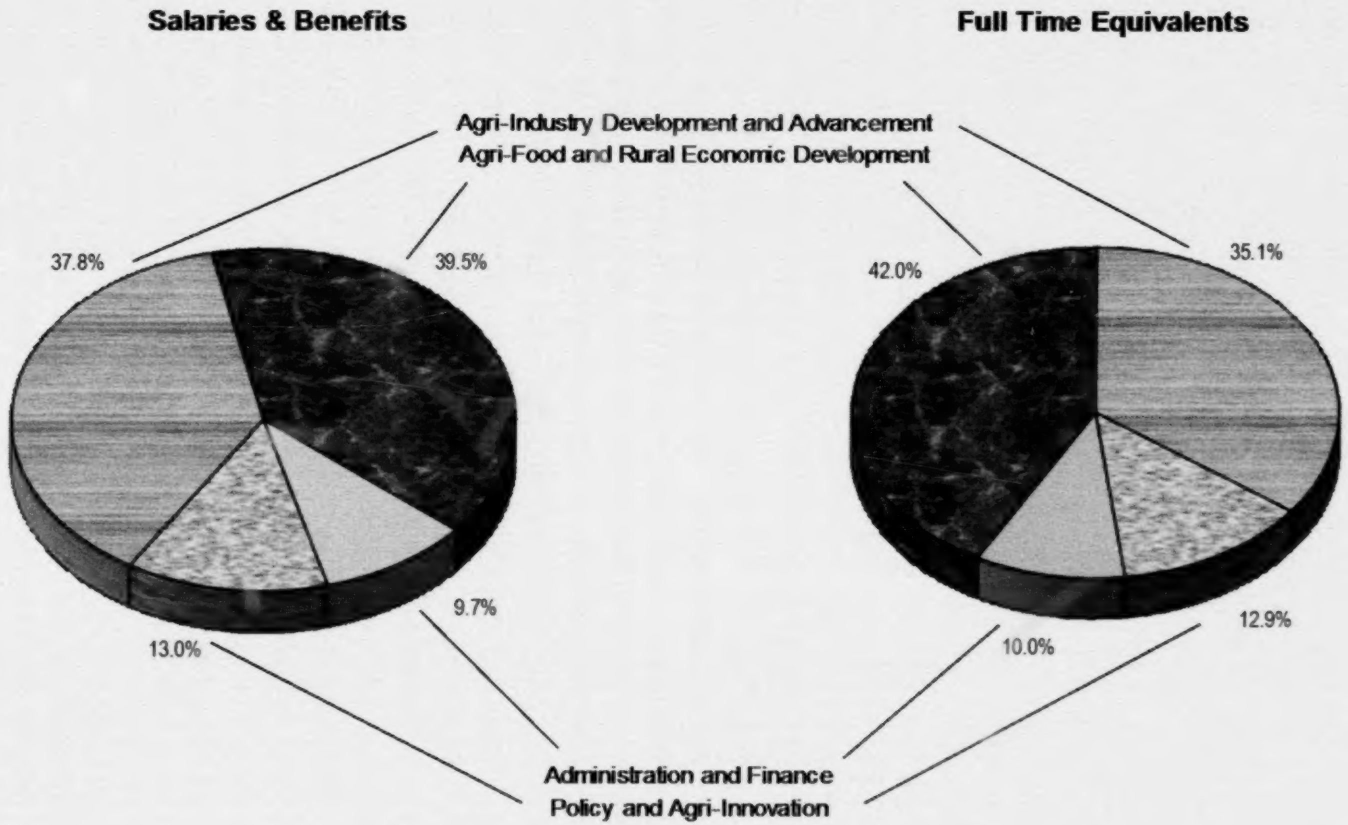
Part B - Capital Investment

DETAILS	2014/15 ESTIMATES $(000's)
2014/15 MAIN ESTIMATES - PART B	250
Allocation of funds from:	
- Enabling Appropriations	
• Internal Service Adjustments	439
2014/15 ESTIMATES	**689**

Appendix C
Manitoba Agriculture, Food and Rural Development
Distribution by Main Appropriation
2014/15 Expenditures



Appendix D
Manitoba Agriculture, Food and Rural Development
Percentage Distribution of Salaries & Employee Benefits And Full Time Equivalents - 2014/15



Salaries & Benefits

Full Time Equivalents

Appendix E
Manitoba Agriculture, Food and Rural Development
Revenue Summary

for the fiscal year ended March 31, 2015 with comparative figures for the previous fiscal year ($000s)

Actual 2014/15	Actual 2013/14	Increase/ (Decrease)	Expl. No.		Actual 2014/15	Estimate 2014/15	Increase/ (Decrease)	Expl. No.
				CURRENT OPERATING PROGRAMS:				
				Government of Canada:				
3,342	-	3,342	1	Growing Forward 2 - Strategic Initiatives	3,342	-	3,342	1
-	1,681	(1,681)	2	Agri-Flexibility - Manure Management Financial Assistance Program	-	-	-	
(8)	4,452	(4,460)	3	Agri-Recovery - 2011 Excess Moisture Programs	(8)	-	(8)	
2,215	-	2,215	4	Agri-Recovery - 2014 Flood Programs	2,215	-	2,215	4
6	26	(20)		Other Programs	6	50	(44)	
5,555	6,159	(604)		Sub-Total	5,555	50	5,505	
				Other Revenue:				
3,763	3,036	727	5	(a) Fees	3,763	3,544	219	
35	26	9		(b) Sundry	35	47	(12)	
3,798	3,062	736		Sub-Total	3,798	3,591	207	
9,353	9,221	132		Total Department Revenue	9,353	3,641	5,712	

Explanations:

1 *The increase is mainly due to one-time federal support of provincial grants in 2014/15 under federal Growing Forward 2 – Strategic Initiatives.*

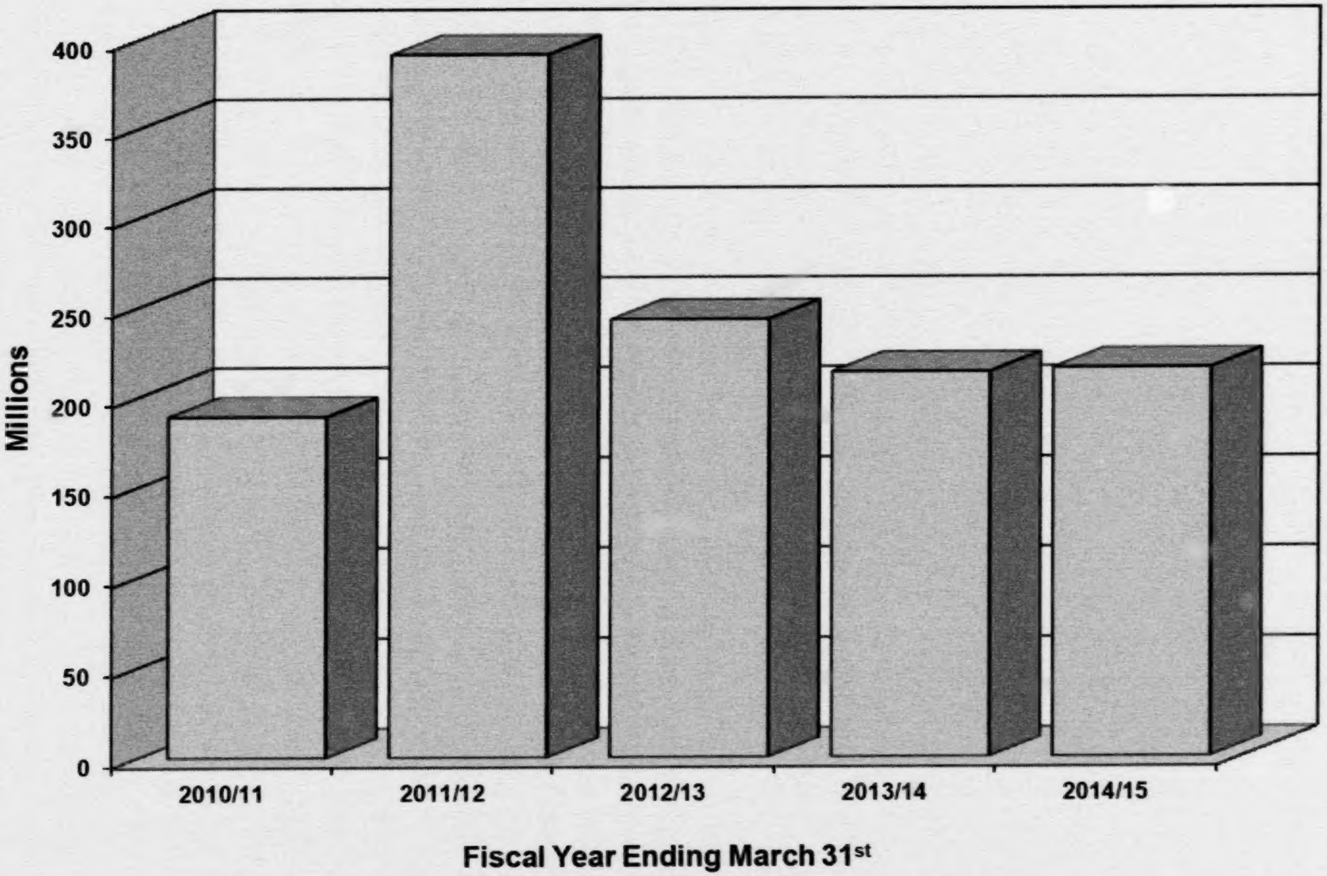
2 *The three year federal/provincial Agri-Flexibility agreement to cost-share costs under the Manure Management Financial Assistance Program expired March 31,*

3 *The decrease in revenue is mainly due to a 2013/14 reimbursement from Canada for costs deemed eligible under 2011 AgriRecovery – Excess Moisture Programs originally incurred under the Disaster Financial Assistance Agreement and the Building and Recovery Action Plan.*

4 *The increase is mainly due to the federal portion (60%) of unanticipated 2014 Agri-Recovery cost-shared programs that provided financial assistance to agricultural producers affected by 2014 flooding.*

5 *The increase in fees revenue in 2014/15 is primarily due to volume increases in Veterinary Diagnostic Services testing and Agricultural Crown Lands leases.*

Appendix F
Manitoba Agriculture, Food and Rural Development
Five Year Expenditure History
For Years Ending March 31, 2011 to March 31, 2015



Appendix G

Manitoba Agriculture, Food and Rural Development

Five Year Expenditure and Staffing Summary by Main Appropriation

for the fiscal years ending March 31, 2011 to March 31, 2015

	Actual / *Adjusted Expenditures										
		2010/11		2011/12		2012/13		2013/14		2014/15	
	Main Appropriation	FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)
3-1	Administration and Finance	45.00	3,617	45.00	3,580	44.00	3,850	42.00	3,504	42.00	3,395
3-2	Policy and Agri-Innovation	61.50	7,528	61.50	8,238	59.50	7,355	54.00	7,764	54.00	9,285
3-3	Risk Management, Credit and Income Support Programs	-	123,857	-	322,476	-	176,313	-	148,187	-	150,536
3-4	Agri-Industry Development and Advancement	159.73	17,822	159.73	23,448	176.73	21,770	147.50	16,808	147.50	14,088
3-5	Agri-Food and Rural Economic Development	194.00	35,957	194.00	33,047	196.00	33,213	176.50	36,807	176.50	37,816
3-6	Costs Related to Capital Assets	-	312	-	325	-	338	-	338	-	335
Total Departmental Appropriations		460.23	189,093	460.23	391,114	476.23	242,839	420.00	213,408	420.00	215,455

* Figures have been adjusted to reflect historical data on a comparable basis during the years under review.

APPENDIX H
Statutory Responsibilities of the Minister of Agriculture, Food and Rural Development

The Agricultural Producers' Organization Funding Act
The Manitoba Agricultural Services Corporation Act
The Agricultural Societies Act
The Department of Agriculture, Food and Rural Development Act
The Agri-Food and Rural Development Council Act
The Agrologists Act
The Animal Care Act
The Animal Diseases Act
The Animal Liability Act
The Bee Act
The Cattle Producers Association Act
The Community Development Bonds Act
The Crown Lands Act [section 1, subsection 7.2(2), clause 7.3(2)(c), sections 7.4 to 7.6 and 35; section 4, clauses 5(1)(f), (k) and (l), subsections 5(4), sections 6 and 6.1, clause 7(1)(d), subsections 7(2) to (6), section 7.1, subsections 7.3(1) and (3) to (5), section 10, subsection 13.1(1), sections 14, 16 to 18, 21, 22, subsection 23(3), section 24, subsections 25(1) and (2), and sections 26 to 34.1 insofar as they relate to the administration of Crown lands designated by the Minister of Conservation and Water Stewardship as agricultural Crown lands, including setting fees and rents and issuing work permits but excluding other dispositions]
The Dairy Act
The Family Farm Protection Act
The Farm Income Assurance Plans Act
The Farm Lands Ownership Act
The Farm Machinery and Equipment Act
The Farm Practices Protection Act
The Farm Products Marketing Act
The Food Safety Act
The Fruit and Vegetable Sales Act
The Horse Racing Commission Act
The Income Tax Act [sections 11.8 to 11.12]
The Land Rehabilitation Act
The Livestock and Livestock Products Act
The Livestock Industry Diversification Act
The Milk Prices Review Act
The Noxious Weeds Act
The Organic Agricultural Products Act
The Pesticides and Fertilizers Control Act
The Plant Pests and Diseases Act
The Property Tax and Insulation Assistance Act [Part III.1, and section 1 and Part VI as they relate to subjects covered under Part III.1]
The Veterinary Science Scholarship Fund Act
The Veterinary Services Act
The Wildlife Act [the portion of clause 89(e) that relates to compensation for damage to crops caused by wildlife as it pertains to big game and migratory waterfowl]
The Women's Institutes Act

APPENDIX I
Performance Indicators 2014/15

AGRICULTURE, FOOD & RURAL DEVELOPMENT

The following section provides information on key performance measures for the department for the 2014/15 reporting year. All Government of Manitoba departments include performance measures in their Annual Reports to complement the financial results and provide Manitobans with meaningful and useful information about government activities and their impact on the province and its citizens.

For more information on performance reporting and the Manitoba government, visit www.manitoba.ca/performance

Your comments on performance measures are valuable to us. You can send comments or questions to mbperformance@gov.mb.ca.

Manitoba Agriculture, Food and Rural Development (MAFRD) reports annually on five performance indicators. These measures provide the public and the department with both a current snapshot and a trend of that performance measure over a set period of time. The information is important to the department as the indicators provide a high level view and further insight for MAFRD as it undertakes programming and services.

What is being measured and using what indicator? (A)	**Why is it important to measure this? (B)**	**Where are we starting from (baseline measurement)? (C)**	**What is the 2014/15 result (current year) or most recent available data? (D)**	**What is the trend over time? (E)**	**Comments /Recent Actions/Report Links(F)**
Productivity change in selected crops.	Increased productivity over time contributes to competitiveness and profitability of Manitoba agricultural producers in addition to increasing food security for Manitobans.	2007-2011 Average Five year average wheat yield (bushels/acre) in MB: 43.8 Five year average canola yield (bushels/acre) in MB: 32.8	2010 – 2014 Average Five year average wheat yield (bushels/acre) in MB: 47.1 Five year average canola yield (bushels/acre) in MB: 32.3	No trend yet identified. *Note: A longer term (e.g. 30 year) trend will be established following further analysis by the department. This will be in addition to the five year trends*	2009 and 2014 produced above average yields for both wheat and canola.

What is being measured and using what indicator? (A)	Why is it important to measure this? (B)	Where are we starting from (baseline measurement)? (C)	What is the 2014/15 result (current year) or most recent available data? (D)	What is the trend over time? (E)	Comments /Recent Actions/Report Links(F)
				identified.	
The uptake of farm food safety programming by the sector.	Consumers are demanding safe food. The ability of individual producers and entire sectors to compete in domestic and global markets is becoming more dependent on demonstrating that food safety practices are in place and are being followed.	In 2007, 6.3% of Manitoba operations had implemented on-farm food safety programs.	In 2014, more than 10% of Manitoba farm operations have implemented on-farm food safety programs. By sector: ▪ Chicken: 100% ▪ Pigs: 100% ▪ Eggs: 100% ▪ Potatoes: 100% ▪ Broiler Breeders: 100% ▪ Turkey: 100% ▪ Dairy: 100% ▪ Small Fruit: 15% ▪ Vegetables: 25% ▪ Cattle: 5.8% ▪ Grain: 0.25% ▪ Sheep: 0.25%	Increasing In 2008 6.5% of Manitoba operations had implemented on-farm food safety programs. By sector: ▪ Chicken: 90% ▪ Pigs: 90% ▪ Eggs: 98% ▪ Potatoes: 98% ▪ Broiler Breeders: 8% ▪ Turkey: 17% ▪ Dairy: 12%	In 2014 there was a decrease in programming uptake in the fruit industry. These are due to retirements of producers from the industry.
The size of the food and beverage manufacturing sector in Manitoba.	Total value of agri-food processing is an indicator of the additional value extracted from Manitoba-produced commodities. Additional processing in Manitoba (versus shipping raw commodities) creates jobs and additional wealth.	2008: $3,877 million	2012: $4,865 million	Manufacturing revenues have increased.	Revenue data from beverage manufacturing sector is suppressed.
Producer action to	Recognizing	2005/06 – 3,400	2014/15 - 121	Increasing new acres	As of March 31,

What is being measured and using what indicator? (A)	Why is it important to measure this? (B)	Where are we starting from (baseline measurement)? (C)	What is the 2014/15 result (current year) or most recent available data? (D)	What is the trend over time? (E)	Comments /Recent Actions/Report Links(F)
identify and mitigate environmental risks in their farm operation.	environmental risks and setting out a plan of action to mitigate risks is an important indicator of the capacity to produce in a sustainable manner.	people attended workshops 2005/06 – 1,317 environmental farm plans completed	producers attended workshops In 2014/15, 89 environmental plans were completed with 116,967 acres assessed, which included 54,734 acres under 49 new plans.	in program	2015, 6,228 Environmental Farm Plans (EFPs) covering more than 9.5 million acres of MB farmland have been completed. EFPs need to be updated every 5 years and a total of 40 plans totalling 62.233 acres were renewed in 2014/15.
Success in turning government support into commercial products and improvements.	Investments in research by government are aimed at seeing new or improved products developed that contribute to farm profitability, new products, competitiveness and additional economic activity.	In 2013/14 MAFRD provided the Food Development Centre (FDC) with funding of more than $2 million for agri-food innovation, development and commercialization: ▪ 5 new products produced in the pilot plant. ▪ 19 new food products and ingredients created for retail or foodservice test marketing. ▪ 131 nutrition labels for food products created. ▪ 9 HACCP plans	MAFRD continued support for FDC with funding of more than $2 million for agri-food innovation, development and commercialization: ▪ 8 new products were developed in the pilot plant. ▪ 32 new food product and ingredient prototypes were created. ▪ 330 nutrition labels for food products created. ▪ 18 HACCP plans were developed, 2 as consultations for external	No trend yet established. *Note: A lag time will exist between investment payouts and results.*	

What is being measured and using what indicator? (A)	Why is it important to measure this? (B)	Where are we starting from (baseline measurement)? (C)	What is the 2014/15 result (current year) or most recent available data? (D)	What is the trend over time? (E)	Comments /Recent Actions/Report Links(F)
		developed, 5 revised and 14 consultations. Total approved GF2 investments in innovation were $7.65 million* in 2013/14 with total GF2 approved funding for all programs being more than $12.7 million. **Not including ARDI funding approval of $3.2 million that occurred in 2014/15 for project initiated in 2013/14.* The Commercialization Support for Business (CSB) program funded investments totaling more than $216,000 for rural and agribusinesses.	clients. Total approved GF2 investments in innovation were $35.79 million in 2014/15 with total GF2 approved funding for all programs being more than $87.8 million to date for the agreement. The Commercialization Support for Business (CSB) program funded investments totaling more than $792,000 for rural and agribusinesses.		

APPENDIX J

The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counseling a person to commit a wrongdoing. The act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the act, and must be reported in a department's annual report in accordance with section 18 of the act.

The following is a summary of disclosures received by Manitoba Agriculture, Food and Rural Development and the Food Development Centre for the fiscal year 2014/15:

Information Required Annually (per Section 18 of The Act)	**Fiscal Year 2014/2015**
The number of disclosures received, and the number acted on and not acted on. *Subsection 18(2)(a)*	**NIL**
The number of investigations commenced as a result of a disclosure. *Subsection 18(2)(b)*	**NIL**
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. *Subsection 18(2)(c)*	**NIL**

APPENDIX K
Sustainable Development Integration

Under *The Sustainable Development Act,* each department is required to integrate into its annual report information about the progress of incorporating sustainable development into its activities.

The principles and guidelines of sustainable development as set out in the act are:

Principles of sustainable development

1. Integration of Environmental and Economic Decisions
2. Stewardship
3. Shared Responsibility and Understanding
4. Prevention
5. Conservation and Enhancement
6. Rehabilitation and Reclamation
7. Global Responsibility

Guidelines of sustainable development

1. Efficient Use of Resources
2. Public Participation
3. Access to Information
4. Integrated Decision Making and Planning
5. Waste Minimization and Substitution
6. Research and Innovation

To see the full *Sustainable Development Act* visit:
web2.gov.mb.ca/laws/statutes/ccsm/s270e.php

MAFRD has a broad mandate to serve primary agriculture, the food and agri-products industry and rural communities. Within that mandate, the department has four strategic priorities that focus the department's efforts; food security, economic opportunities, agricultural resource base and science, innovation and adaption. These strategic priorities closely align with the principles and guidelines of sustainable development.

At the heart of the department's efforts is the philosophy of extension. Through this approach, the department seeks to support changes to behaviour and practices that contribute to a more sustainable environment, stronger businesses and resilient rural communities.

The following examples illustrate actions the department has taken in 2014/15 to support the principles and guidelines of sustainable development. For more details on the department's activities and results, please refer to section 2, part A of this annual report. This section is not meant to be a complete listing of all activities that relate to sustainable development, but is meant to give an idea of the size of the department's activities.

Landscape Management and Water Quality

In 2014/15, MAFRD had many programs, initiatives and actions that related to landscape management and water quality. Examples of these efforts include:

- Mapping provincial soil phosphorus levels, manure storage locations and water shed management evaluation criteria to show how the current provincial regulations affect the potential location of livestock regulations.
- Using research to find ways for producers to effectively manage manure, focusing on complying with manure regulations and moving excess manure-bound phosphorous (P) to areas where background P is insufficient for crop nutrition.
- Funding six projects, with contributions by Manitoba Pork Council, that address long term management of annual and perennial crops with manure as the nutrient source, the use of separated manure solids as soil amendments and the evaluation of air flotation and belt filter press separation techniques through MLMMI.
- Working on infrastructure and management recommendations for a MAFRD land requirement calculator for new and expanding livestock operations, in collaboration with Conservation and Water Stewardship (CWS).
- Providing a MAFRD staff person to sit on the board of directors for the Manitoba Livestock Manure Management Initiative (MLMMI), and working with the MLMMI to prepare Request for Proposals (RFPs) related to gravity manure separation. The MAFRD engineer also helped analyze the data from a swine feed phosphorus survey performed by MLMMI.
- Reviewing and approving BMP projects under the Manure Management Financial Assistance Program (MMFAP): three increased manure storage ($236,302) and 11 manure storage repairs ($753,825) for a total of 14 projects at $990,127 in provincial funding.
- Updating crop fertility recommendations at the annual Soil Fertility Advisory Committee meeting and incorporating the nutrient management strategy into extensions.
- Completing the Soil Survey Report for the RM of Langford
- Approving 20 Food Safety On Farm biosecurity projects, including 16 projects in apiculture, three in horticulture and one in grains/oilseeds.
- Managing community pasture lands (395,306 acres of agricultural Crown and rural municipality lands) in an agriculturally sustainable and productive manner. Divesting community pasture lands while keeping a mandate to conserve and protect these lands via managed grazing. Operating pastures across Manitoba through the newly formed Association of MB Community Pastures (AMCP).
- Extending forage improvement practices and increasing grazing capacity through one-on-one consultation with Crown land lease holders.
- Assisting 75 producers with interpreting agri-environment regulations and adopting of Beneficial Management Practices including riparian area management planning, manure management planning, farmyard run-off control and livestock winter site management.
- Demonstrating soil management concepts to agronomists attending Crop Diagnostic School, Soil and Water Management Field Clinics and CanoLAB.
- Delivering presentations on soil conservation and soil quality (residue management, salinity, compaction, soil health) to agronomists and producers attending Manitoba Agronomists Conference, soil fertility workshops and other field and classroom events.
- Extending on-farm water movement principles to growers, agronomists and other stakeholders, including water scientists and managers through a water and nutrient movement learning station at conference trade shows and annual meetings and field days of water-related organizations.
- Contributing financial and technical support to the University of Manitoba Watershed Research Studies program via Growing Forward programming.
- Participating in a stakeholders group to review and provide input to proposed drainage licensing in Manitoba.

- Reviewing and approving projects under the Growing Assurance Environment (GA-E) program: three increased manure storage ($375,000), one manure storage repairs ($100,000), one manure treatment ($136,500, forfeited), three farmyard runoff control ($82,978), four relocation of livestock ($274,756) and 27 extensive wintering of livestock ($407,660) for a total of 39 BMP projects at $1,376,895 in Growing Forward funding.
- Promoting and delivering Growing Forward 2 (GF2) programming (Growing Assurance-Environment and Growing Assurance-Ecological Goods and Services) resulting in 68 applications to the programs.
- Reviewing and approving projects under the Growing Assurance Ecological Goods and Services (GA-EGS) program: 42 BMP projects were approved under Component 1; and three conservation auctions were conducted by CDs resulting in approval of 13 bids for 9 BMP projects and two conservation agreements under component two.
- Offering Environmental Farm Plan workshops through GF2 with a total of 121 farmers participating.

Innovation and Adaptation

Research and innovation are important tools to improve the sustainability of agricultural production and value added processing. Examples of projects and activities that support the principles and guidelines of sustainable development include:

- Working with Manitoba Beef Producers (MBP) to develop facilities focused on beef/forage research. The field research laboratory and a demonstration farm will highlight improved and sustainable beef and forage production practices.
- Conducting over 100 trials at Diversification Centres to evaluate fibre flax for the linen market.
- The Agri-Food Research and Development Initiative awarded $3.53 million to 30 projects that enhance farm viability including improving hemp oil quality, soybean production, organic grain, flooding tolerance, canola meal quality, disease resistant malt barley, beef carcass quality, poultry cage systems, potato production, dairy manure digestion, buckwheat quality and improved flavour in pork.
- The Agri-Food Research and Development Initiative awarded a total of $915,000 to nine companies to develop and commercialize innovations in bio-inoculants, cannabinoids in hemp, food treatments for blood lipid management, removal of ergot from harvested cereals, tree-free paper, buckwheat with novel health traits, anti-diabetic treatments with Saskatoon berries and feed wheat varieties. The Agri-Food Research and Development Initiative also funded two projects that will develop genetic markers that can adapt to climate change and evolving pests.
- Working toward the development and commercialization of foods proven to prevent or treat chronic disease. The Manitoba Agri-Health Research Network (MAHRN) worked with the European Union (EU) countries to utilize the health attributes of canola. Chile used Manitoba cereals in healthy bread products, and China, Australia and the EU used anti-oxidant rich vegetables. Samples of soy, hemp and beans from the local growing environment were also characterized for health attributes, with some samples retained in a biobank for future reference.
- Demonstrating the health attributes of cold-press canola oil to the local food service industry and selling six products under the MAHRN trademarked NuEats and Canadian Climate Advantage labels. MAHRN concluded a licensing agreement with the physician-owned U.S. company StepOne Foods resulting in a flax-based commercial treatment for pre-diabetes patients and heart patients intolerant to statin drugs.
- The Life Sciences Association of Manitoba (LSAM) promoted the development of the

agricultural and industrial biotechnology industry, including biomaterials, bio-energy, plant and animal health and functional food.

- Supporting Prairie Agricultural Machinery Institute with a grant of $333,000 to provide applied research, testing and evaluation services to producers, machinery manufacturers, processors and other agricultural businesses. The department provided project funding from GF2 to support the development of linen flax, anaerobic digestion of manure, straw fuel cubes, hemp fibre processing and cattail harvesting. As a result, the total contribution to PAMI was $732,400.
- Operating under a 5-year (2013/14 – 2017/18) grant of $1.35 million, The Manitoba Corn Growers Association progressed toward early maturing rapid dry down hybrids, characterized the composition of local populations of Goss's wilt bacteria and continued genetic research on the adaptation of corn to water logged soils.
- Operating under a 4 year (2014/15 - 2017/18) grant of $1.4 million, the Composites Innovation Centre (CIC) began implementing Phase two of BioNet Manitoba, a multi-partner initiative to develop biomaterials based on Manitoba grown renewable agricultural fibres and resins.
- The Manitoba Biomass Energy Support Program funded 13 projects, for a total of $404,062, to assist current coal users in switching or expanding their use of renewable biomass fuel. The program also provided $422,987 to research and development projects aimed at expanding the production and use of biomass energy.
- The International Institute for Sustainable Development continued work under a three year (2013/14 – 2015/16) grant of $406,000 to develop the Manitoba Bioeconomy Atlas. The atlas integrates novel (cattails) and conventional (crop residue) biomass resource assessments for agro-Manitoba on a township basis resulting in the highest resolution biomass inventory ever produced in Manitoba. The atlas will assist in assessing the feasibility of bio-economy projects.
- Developing an internal Climate Change Adaptation Strategy, moving towards publication and contributing to agriculturally relevant content in the MB Climate Atlas Project.
- Conducting 15 variety adaptation trials at each diversification centre on cereals, pulses, hemp, forages, special crops, and fruit and evaluating them on various parameters (i.e. yield, protein, disease resistance, food quality characteristics, milling potential). Results were reported at in-person extension events, through the annual reports and print and social media columns.

Protection of Plant, Animal and Human Health

The department plays a lead role in animal health and welfare protection as well as in food safety and meat inspection. These activities support the need for protecting the health of Manitobans and the province's responsibility to contribute to human and animal health protection as a member of the global community.
The department contributed to biosecurity and plant, animal and human health by:

- Completing an online biosecurity calculator to assist farmers in determining the biosecurity risk on their farm, in partnership with Pest Surveillance Initiative
- Developing capacity for clubroot detection, quantification and distribution within Manitoba in partnership with Pest Surveillance Initiative (PSI).
- Implementing rabies, anaplasmosis, anthrax and chronic wasting disease sample collection, shipping specimens and distributing of test results to relevant officials following the withdrawl of Canadian Food Inspection Agency (CFIA) services. Veterinary Diagnostic Services (VDS) staff performed 27 rabies sample collections.

- Conducting 151,384 tests (annual record) of which 136,500 were designated for food animals.
- Conducting 3,894 salmonella screening tests and providing technical expertise and testing capabilities to support the provincial meat inspection program.
- Partnering with Manitoba Canola Grower Association to develop capacity within the province for increased surveillance and diagnostic capability for clubroot through establishment of the Pest Surveillance Initiative (PSI).
- Conducting three projects to determine the survival of Porcine Epidemic Diarrhea (PEDv) in manure lagoons in conjunction with Manitoba Pork Council and Prairie Agricultural Machinery Institute. Testing a total of 186 hog operations, with none testing positive for PEDv. Continuing work to determine the potential for PEDv survival in manure.
- Awarding $185,400 to three projects to improve manure-related nutrition and bio-security practices on poultry and dairy farms.
- Following and promoting proper bio security measures for field entrance and inspection. Producers asking for proper biosecurity protocols be followed by anyone entering their fields.
- Amending *The Animal Diseases Act* (Bill 71) and establishing authority for MAFRD to act in a proactive manner to deal with activities, practices or behaviours that may create risk to the health and safety of animals and the public, or that may promote the outbreak or spread of disease.
- Developing extensive food safety regulations to support the pending proclamation of *The Food Safety Act*. Supporting the devolution of provincial meat inspection by Canadian Food Inspection Agency, dairy farm inspection from the province to Dairy Farmers and Manitoba and ensuring that the Compositional Standards Regulations for dairy products in Manitoba is consistent with federal standards.

Rural Economic Development and Industry Capacity

An important principle of community economic development is the capacity of people and organizations to plan for their future, take necessary steps to achieve their vision and adapt to change. The department helped community leaders, communities and organizations in a number of ways to build this capacity:

- MAFRD staff worked with First Nations clients to investigate aquaculture opportunities. Assisted one First Nation community with obtaining funding for developing an aquaculture business plan, touring successful aquaculture operations on First Nations in Ontario and receiving training on fish farming production. Helped another First Nation community develop a plan for marketing eco-certified fish.
- Manitoba Pulse Growers Association (now Manitoba Pulse and Soybean Growers) accessed $52,500 from the GF2 Growing Actions fund to complete a feasibility study for a soybean crushing plant in Manitoba.
- Provided continuing economic opportunity for the Shoal Lake area by using these lands in support of the agricultural base in Manitoba.
- Partnered with the Rural Development Institute for "Rural Works: A Rural Policy Think Tank" resulting in a series of recommendations to communities and government

Responsible Use of Resources and Transparency

The department is committed to using departmental resources responsibly throughout its divisions and branches. Examples of this commitment include:

- Using video conferencing and/or webinars for presentations, group meetings, and training to minimize travel costs, travel time and CO_2 emissions.
- Updating and reorganizing the MAFRD website with rural development tools to create easy access to resources like the CED Tax Credit program.
- Maintaining a strong internal comptrollership framework to ensure the efficient and effective use of the resources entrusted to it.

APPENDIX L
The Farm Machinery and Equipment Act Fund

Section 55(8) of *The Farm Machinery and Equipment Act* directs that a financial statement of the Farm Machinery and Equipment Fund should be prepared and included in the annual report of the department. Section 11 of the regulations to the Act states the fiscal year of the fund is January 1, to December 31 of each year.

For more information on the Act please visit http://web2.gov.mb.ca/laws/statutes/ccsm/f040e.php .

The Farm Machinery and Equipment Act Fund
Statement of Account
(Unaudited)
For the Year Ended December 31, 2014

	2014	2013
Balance, beginning of year	$539,521.86	$534,713.56
Interest earned	$4,747.62	$4,808.30
Deposits	-	-
Claims and disbursements	-	-
Change during the year	$4,747.62	$4,808.30
Balance, end of year	$544,269.48	$539,521.86